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# Blair is bad news for City, say directors

Poll shows gloom on pound and interest rates

CHRIS BLACKHURST  
Westminster Correspondent

Tony Blair has failed so far to get his message across to the City and big business that new Labour can be trusted to improve the economy, or hold down interest rates and income tax, according to a survey of company executives.

The poll of business opinion, which will come as a blow to Labour's hopes of winning over the business community, indicates that while 72.3 per cent of company chiefs think Labour will win the next election, they believe a Blair government will be bad for corporate Britain.

Asked by the leading City research organisation, Hemmington-Scott, how they thought the economy would fare, more than 80 per cent believed interest rates would rise in the long-term, 78.1 per cent said the pound would fall immediately and 71 per cent said it would remain depressed.

The survey, based on responses by more than 600 directors of companies quoted on the Stock Market, follows an intense campaign by Labour to secure support from big business. Mr Blair has recently addressed the CBI annual conference and toured the country talking to business leaders, while the Shadow Chancellor, Gordon Brown, and his team, have been invited into boardrooms to preach the new Labour message.

But the survey suggests directors believe there has not been much change from old Labour. The poll underlines fears in the Labour leadership that they have a long way to go in persuading many strands of the electorate that the party's economic strategy has changed.

Labour's opinion poll rating has been consistently 25 per cent ahead of the Tories in recent months. However, those who replied to the business survey were more sceptical.

More than 70 per cent think overseas companies will be less likely to set up shop in a Britain run by Mr Blair. The City of London's position as Europe's financial centre would be diminished under a Labour government, say more than 50 per cent of those who responded.

Hemmington-Scott sent detailed questionnaires to 10,500 directors and non-executive directors of UK stock market companies. The survey results are based on replies from 614 of them.

It is not all grim reading for Labour. Many of those who were surveyed are dismayed by the Conservative government. "The Tories deserve to lose," one director of a quoted company said. "The job could hardly be tackled less effectively," another said. But for all their reservations, they still believe another term of Conservative rule would be better than a Labour government. "However poor the Tories are, at least they try to do the right things," was the plaintive comment of one director.

Personal wealth and the impact Labour will have on their earnings featured highly in directors' qualms about Mr Blair. More than half those responding - 56.6 per cent - think a Labour government would curb executives' pay and perks.

It is the effect on their own businesses, though, where the impact of Labour will hurt most, and where assurances are simply not getting through. Some 64.4 per cent of those

replying believe Labour would increase National Insurance contributions in the short-term. Over half of those surveyed predicted an almost immediate rise in corporation tax.

Even more alarming for Mr Blair is that after all his attempts to distance new Labour from the trade unions, 58.9 per cent of those responding fear a resurgence in union power. They predict the political influence of the unions would almost immediately increase both in Downing Street and in the workplace.

Repeated attempts by Mr Brown to convince business he would maintain a tight grip on the nation's purse strings appear to have failed. More than 90 per cent believe the public sector borrowing requirement will rise in the long-term.

There is, however, one bright spot in the otherwise unrelentingly gloomy survey for Labour. A significant proportion of directors believe that the party would take effective steps to increase Britain's manufacturing base. But even here, more than half still believe Labour would not be able to deliver the goods.

A few lone voices speak up for the party. "A Labour government is vital for the future of Britain. The social divides, the wealth divides, the lack of personal responsibility now apparent, will otherwise continue to have a corrosive influence," one director told the survey.

But the view which appears to sum up boardroom opinion, according to the survey, is: "Once in, [a Labour government] will be the same dreary government it was before, with inadequate little men, Ms Beckett *et al*, floundering around."

## Bosnian children fly in praying for Christmas cure



Mercy mission: Bosnian girl Amela Kurtovic, 4, was wounded by a shell and needs surgery otherwise she may lose a leg. Photograph: Dillon Bryden

JOJO MOYES  
EMMA DOLY  
Krupa

Lejla Ahmetstahic, a 13-year-old girl suffering from lymphatic cancer, arrived in Britain yesterday to receive treatment that could save her life.

Lejla, whose plight was highlighted by the *Independent* last Saturday, arrived at Heathrow after a two-day journey across Bosnia, along with two other seriously ill children: four-year-old

Amela Kurtovic, who may lose a leg after a shell explosion, and Meliha Mulezinovic, 13, who requires urgent open heart surgery.

She was to be accompanied by another lymphoma sufferer, a seven-year-old boy, but he was considered too ill to travel. Doctors hope he may be well enough to fly to Britain today.

All three were brought to Britain by Child Advocacy International, a charity working in Bosnia, using funds raised by LI-

ons Clubs International, the World Memorial Fund and readers of the *Independent*.

"There was a time I thought treatment wouldn't be possible," said Lejla's mother, Murisa Ahmetstahic, from Gorazde yesterday. "So we didn't expect this to happen. But we are very hopeful and very thankful. It is a very nice Christmas present."

Lejla, who would have died if she had stayed in Bosnia, now stands an 80 per cent chance of recovery. She will be treated at

Liverpool's Alder Hey Hospital, while the other children, and three that arrived two weeks ago, are placed in hospitals across the north and Midlands.

The children arrived as Nato forces began their peace mission in Bosnia. D-Day marked the official end of the UN peace-keeping mission and the start of the alliance's role in implementing the peace deal reached in Dayton Ohio.

British forces pushed across a former front line in Bosnia to

become the first foreign fighting unit stationed on Serb-held territory. Three hours after the Nato flag was raised, 140 troops from B Squadron Battlegroup, The Light Dragoons, crossed the front line at Brezica (renamed "Black Dog" by the British) and drove on to the village of Krupa, 8 miles south of Banja Luka, the Serb stronghold which was for so long a no-go area to western forces. "It of a proud moment," said Trooper Paul Stewart.

## Major in talks with Princess Diana

PATRICIA WYNN DAVIES  
Political Correspondent

Expectations grew yesterday that the Government is trying to find a public role for the Princess of Wales after she held a one-hour meeting at Kensington Palace with John Major.

Yesterday's meeting comes within a month of the princess's plea in her controversial *Panorama* interview to become an "ambassador" for Britain.

Number 10 downplayed the meeting at the princess's home as "something the Prime Minister does every so often, about two or three times a year."

But while Downing Street and Buckingham Palace gave no details, political sources thought it inconceivable the princess's future had not come up.

The meeting with the Prime Minister came two days after the princess announced that she would not, as originally



Diana: Seeking public role

planned, spend Christmas with the Queen, her estranged husband and two sons and other members of the Royal Family at Sandringham.

That latest example of the princess distancing herself from the rest of Royal Family has fuelled calls by Prince Charles's supporters and senior Tory MPs for a speedy divorce.

## Girl, 16, jumps to death after warning of suicide

JOHN McQUE AND  
REBECCA FOWLER

A 16-year-old schoolgirl jumped to her death only hours after a previous suicide attempt in which she had been rescued from beneath a train.

Jessica O'Riordan died instantly on Tuesday night when she jumped from the fourth floor of the Marlborough Court Hotel in Bournemouth.

Before she had thrown herself on to railway tracks at Southampton station but survived because she fell between the wheels of a moving train.

She was taken immediately to the city's general hospital where she was seen by a doctor but then discharged into the care of her mother, a social worker, who took her home to Totton, just outside the city.

The next evening, she went to Bournemouth, with her friend Sally Smith, 19, to see a concert by the pop band Pulp.

After the concert, she climbed up the fire escape of the hotel and jumped off. Ms Smith was found by hotel staff next to her body in a hysterical state.

On Monday evening, before Jessica's first suicide attempt, the two girls were spotted sitting on the toll bridge over the river lichen, and were driven to safety by a policewoman, who had not realised Jessica was distressed.

"They seemed very happy, and in no way suicidal," the policewoman said. "We even spoke about the subject, and one of them told me she would never kill herself because she loved her mum and wouldn't do that to her."

Last night, there was growing concern over why social services were not called in after Jessica's first suicide attempt. Hampshire County Council, which was not contacted, said it was normal practice for social services to be involved in such cases.

"We'd always take any report of suicide very seriously, particularly so in the case of a teenager," said a spokesman. The hospital denied it had released Jessica too quickly. "Given the circumstances we're satisfied the doctors concerned acted quite properly and in consultation with the family," said a spokeswoman.

Jessica's death stunned friends and teachers at Hounsdown School, Totton, Southampton, where she was in her final year studying for GCSEs.

Her classmates broke down in tears when the news of her death was announced at a special assembly, and were offered bereavement counselling.

"Jessica was an intelligent and talented pupil, who clearly had a promising future, and as with the death of any young person it's hard for everyone to come to terms with such a tragedy," said Mark Gihbons, head teacher.

"Our thoughts at this time are particularly focused on Jessica's family."

Jessica's mother and two older sisters were being comforted at their home yesterday.

Her sister, Josie, said: "My mother is devastated by this. We are trying to think why Jessica did it. She had no history of depression."

An inquest will be held.

### IN BRIEF

#### Wife-killer jailed

The husband of a building society manageress was jailed for life for her murder after a jury rejected his story that the couple had been victims of a gang of armed robbers. Page 3

#### MPs attack CSA

A powerful Commons committee criticised the Child Support Agency for making too many mistakes. Page 5

#### Today's weather

Very cold across the UK, with snow in central and northern areas. Section Two, page 21

## City women find men behaving badly

LIZ HUNT  
Health Editor

Sexual attractiveness is the key determinant of a woman's position in the male-dominated banks and trading houses of the City, according to a study that reveals widespread sexism and discrimination as a legacy of the 1980s market boom.

Women are classified by male colleagues on the basis of attractiveness, availability, age, clothes and make-up, as "babes", "one of the boys", a

"bit of a mum", a "lesbian", or a "dragon", and are treated accordingly, regardless of their job status.

Belinda Brooks-Gordon, of the Institute of Criminology at Cambridge University, told the British Psychological Society conference in London yesterday, that "babes" were young, attractive, were shown more courtesy than other women, but had less credibility in the workplace. They were looked at by the men and often were invited to out-of-work events.

A sub-group of "babes" was defined as "goers". These were women who looked sexually active and willing. Women who competed with men in terms of aggression and ability were "one of the boys". They tended to wear power suits and were accepted by men.

A woman who was not regarded as attractive was a "hit of a mum" and was largely ignored, except when she could be prevailed upon to make tea, type, or do menial tasks.

Feminists were termed "les-

bians", regardless of their sexual orientation. Most men thought this group could be converted by the sexual prowess of a "potent man" or "real player".

Older and physically unattractive women were defined as "dragons", which gave men licence to be rude to them.

Ms Brooks-Gordon said employers were lax about the behaviour of men towards the few women they worked with. Because few women hold senior positions in the City, this had been ignored by feminists.

She said that economists, politicians and the media were attracted by the "phallic" symbol of the City and had "fashioned a masculinity around profit-and-loss statements".

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## news

Ulster breakthrough: PMs prepare to meet following European agreement but killings provide grim backdrop

## Irish summit go-ahead after steel deal

COLIN BROWN

Dublin sources last night said John Major will travel to Ireland today for a goodwill meeting with John Bruton, following an eleven-hour deal over European subsidies for an Irish steel plant.

The two prime ministers are expected to issue a strongly worded condemnation of the recent killings by the IRA of drugs dealers in Belfast, which have undermined Sinn Féin's commitment to exclusively peaceful methods.

Downing Street officials last

night were refusing to confirm that the meeting will take place, but authoritative Irish sources said Mr Major would travel to Dublin for the first time to meet the Irish Prime Minister to show unity over the peace process before Christmas.

The meeting will go ahead. They will meet in the late afternoon, followed by a press conference, and a social event. It is aimed at stressing the close relationship between the two men and the determination of the two governments to push ahead with the peace process. Despite all the difficulties, it is

on track," said a Dublin source.

The close relationship was put to breaking strain over the row over the EU subsidies. Mr Bruton was said to be "incandescent" with rage when he found that Britain was prepared to veto the aid package at a council of ministers meeting in Brussels yesterday because it would give the privatised steel plant near Cork an unfair advantage against British Steel.

The veto threat was lifted after ministers agreed to a package including curbs on steel production by the Irish plant.

The renewed violence in Belfast overshadowed yesterday's Anglo-Irish Conference in Dublin. The third drugs-related killing in Belfast within two weeks yesterday led to allegations that the IRA had broken its ceasefire.

Unionist politicians yesterday called on John Major to acknowledge that the ceasefire had been breached. But a senior RUC spokesman noticeably stopped short of blaming the IRA, though he said the killings had been carried out "with the same degree of meticulous planning and ruthless execution" as paramilitary murders.

The latest attack, on Tuesday night, claimed the life of Christopher Johnston, a father of four children, who was shot dead as he arrived home in the Lower Ormeau area of south Belfast. This followed killings on Monday and two weeks ago.

Responsibility for some of the killings has been claimed by a telephone caller purporting to speak for a group called "Direct Action Against Drugs." No one has heard of such a group until now. Police have admitted that some of those killed were involved in drugs. Mr Johnston

was on bail on a charge of importing cannabis into Ulster.

A County Tyrone priest, Monsignor Denis Faul, said yesterday: "Of course it is the IRA. No one goes into areas such as the Lower Ormeau or New Lodge and carries guns - unless they are the IRA or loyalist paramilitaries - and these were quite obviously not sectarian killings."

The Rev Ian Paisley said: "The fact that the government and the RUC are dancing around the reality that the ceasefire has been breached demonstrates that they are de-

liberately trying to con the people of Northern Ireland into believing there is a ceasefire when there is not."

The Anglo-Irish conference meeting in Dublin was a preparatory session for today's scheduled summit between Mr Major and Mr Bruton.

It was planned to follow a visit by Mr Major to Belfast today and will compensate for the brief Downing Street presentation of the two-track initiative on 28 November, rushed through at Dublin's insistence just hours before US President Clinton's visit.

## IN BRIEF

## Move to restrict TV control of sport

Denis Howell, the former Sports Minister, is to table an amendment to the Broadcasting Bill next month in an attempt to prevent television companies having a say in the running of sports they show.

The former Labour MP, now Lord Howell of Aston Manor, was responding to yesterday's revelation in the *Independent* that Rupert Murdoch's News Corporation, which is investing £87m in rugby league's new Super League, will have the right to intervene in the sport's transfer market.

"No company or organisation owning a television channel should be allowed to have any involvement in the government of the game it televises," Lord Howell said yesterday.

## Gay husband killing

A woman has urged the public to help track down the killers of her husband who had been leading a secret double life as a homosexual. Father-of-two Roy Davies, 40, was found stabbed to death on Pansarn Beach, Abergele, North Wales, on Monday. He had failed to return to his wife, Sheila, 37, at their home in Llystaden, Colwyn Bay after visiting a sick relative the previous night.

## Pensioners' poverty

One in three pensioners have difficulty coping on their income, while half say they only just manage to get by, according to the charity Age Concern, which has published a report *Just About Coping* showing "stark evidence" of pensioners' struggles. Pensioner households have lower incomes than younger households. Single retired adults on state pensions have the lowest average national income at £82 per week. Half of all pensioner households depend on the state for at least 75 per cent of their income.

## Spy centre ban

Moves to allow employees at the Government's GCHQ spy centre to belong to an independent union or staff federation were announced by the Foreign Secretary, Malcolm Rifkind. It is the first significant relaxing of rules at the Cheltenham electronic eavesdropping centre since the union ban imposed in 1984 under the then prime minister, Margaret Thatcher. But staff will only be allowed to join a union or staff federation consisting solely of GCHQ staff and will still be banned from taking industrial action or going to an industrial tribunal.

## Rules on witnesses

Moves to curb chequebook journalism, particularly payments to witnesses in criminal cases, were promised by the Press Complaints Commission chairman, Lord Wakeham. The Tory former Cabinet minister told the Lords in a debate on the issue that he was proposing a new protocol to the self-regulatory Code of Practice for newspapers and magazines.

## West nightmare

The funeral on Tuesday of murdered schoolgirl Heather West marked the end of a "terrible nightmare", her brother, Steven West, 22, said yesterday. Heather was the last of 10 victims of her mother, Rosemary West, 42, who is now serving life for the murder of Heather, who disappeared in 1987, and nine other young women and girls, including her stepdaughter, Charmaine, 8.

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# Life for husband who murdered 'devoted' wife

JASON BENNETTO  
Crime Correspondent

The husband of a building society manageress was jailed for life yesterday for murdering his wife after a jury rejected his story that the couple were victims of a gang of armed robbers.

Gordon Wardell, 42, had claimed that he had been dragged and gagged by criminals for 16 hours during a raid.

A jury at Oxford Crown Court unanimously rejected his story and decided he strangled his 39-year-old wife Carol last September and dumped her in a lay-by near Nuneaton, in Warwickshire.

Sentencing Wardell, Mr Justice Cresswell said: "You are an extremely dangerous, evil and devious man. You killed your wife in a brutal manner then cynically attempted to escape detection by going to elaborate lengths to make it appear that your crime was the work of a gang of robbers."

This murder was an outrage to your wife, her family, and to everybody who knew her."

There were gasps of "yes" from the public gallery and Mrs Wardell's mother, Joan Heslop, burst into tears. Wardell, a 6ft 3ins tall fitness fanatic, looked pale and shook his head.

Before passing sentence the court was told of a previous conviction when Wardell, as a 17-year-old student, was jailed for four years for wounding with intent after indecently assaulting and stabbing the wife of his science master.

The murder trial was told that Wardell staged a raid at the Nuneaton branch of the Woolwich building society, stealing £14,000 and leaving one of his

wife's sandals in the office in an attempt to cover his tracks. He bound and gagged himself at the couple's home in Meriden, Warwickshire, where he was found by police. He told them a gang had kidnapped his wife, who was found suffocated.

Carol Wardell's mother, Joan Heslop, 67, welcomed the guilty verdict and said that her daughter could now "rest in peace". She said: "She loved life. To have it taken away so tragically in such a way was terrible."

Mrs Heslop said she had suspected her son-in-law since the day after the funeral where Wardell had continued his charade of the grieving widower. "It was just a mother's feeling I suppose," she said.

Mrs Wardell's sister, Susan Field, 42, said: "Carol was the linchpin of the family. She kept us together because the family meant everything to her."

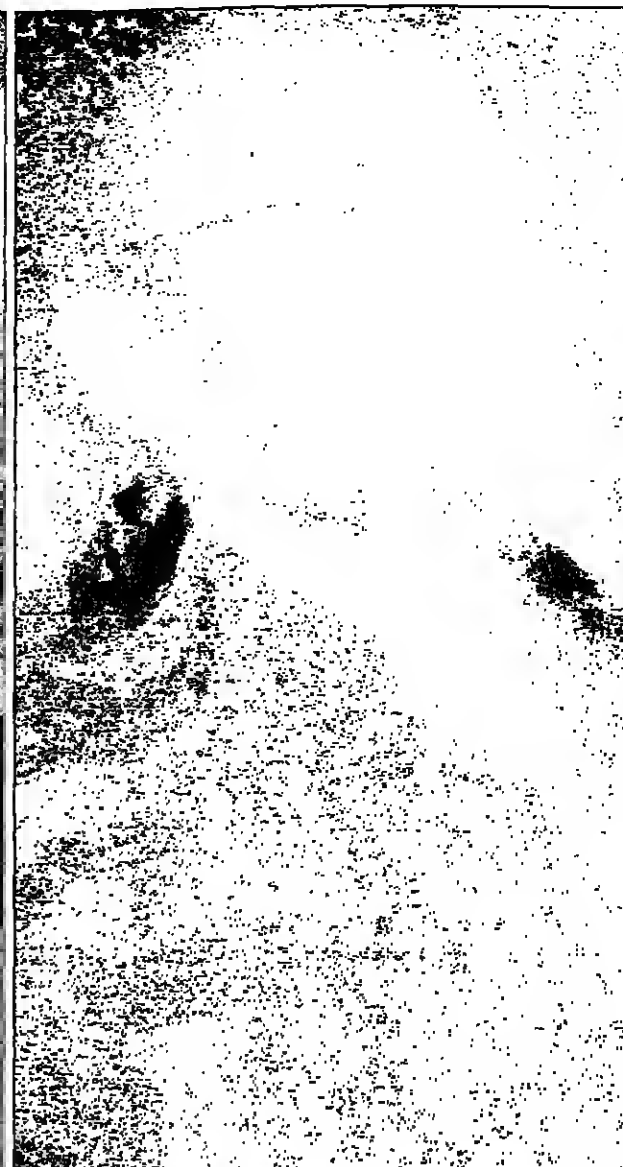
Detective Superintendent Tony Bayliss, who led the murder investigation, said that a motive for the killing has never been fully established, though one theory was that Wardell was at risk of losing his job as an executive for a car parts company. "Inevitably it led to financial problems but I believe the murder was domestically oriented," said Mr Bayliss.

Carol Wardell was described as devoted to her husband, whom she married in 1982. She was said to have concentrated on her career at the Woolwich after finding out she could not have children.

The court was told that Wardell had not had sex with his wife for six months before her death and the relationship worsened because he had suffered a period of redundancy.



Murder story: Gordon Wardell with Carol on their wedding day; with his mother-in-law Joan Heslop at his wife's funeral; and on his way to jail



Photographs: News Team

## 'Cold, calculating' killer who shed tears before cameras

JASON BENNETTO  
Crime Correspondent

It was an extraordinary murder, carried out by a man prepared to go to extraordinary lengths to hide his guilt.

On two occasions Gordon Wardell publicly wept for his dead wife - first during an appeal on television to catch the "evil killers", and then again at her funeral. Yet as his tears fell and he talked of his terrible loss, he alone knew what it felt like to strangle his wife and then

dump her body on the roadside.

During Wardell's trial the jury was told that there did not appear to be a single reason for the murder - money and the breakdown of their relationship seemed the most likely explanations. But whatever the motivation, Wardell, who was considered a "thinker", must have pondered for many hours over the plot.

The police were first alerted on 12 September last year when the body of Carol Wardell, 39, was discovered at a lay-by on the

A44 near Nuneaton, Warwickshire. When detectives arrived at her home in Meriden, they found her semi-naked husband bound and gagged. He told them that he had arrived home the previous evening to find a gang of five men, one of whom was wearing a clown's mask, holding his wife at knifepoint.

He claimed that a rag with an "acid" smell was placed over his mouth and knocked him out for about 10 hours. While he was unconscious the gang was supposed to have taken Mrs Wardell

to the Nuneaton branch of the Woolwich Building Society where she worked, and stolen about £14,000. She was then killed and her body abandoned.

Four days later a frail and gaunt-looking Wardell, seated in a wheelchair, spoke at a police press conference. Weeping before the cameras he said Carol's killers were "totally evil" and that he had "lost everything". The police said he was receiving stress counselling for his ordeal. He went on to take part in a police reconstruction.

Later he was to lead 200 mourners and comfort Carol's mother, Joan Heslop, who collapsed in tears after placing a red rose on her daughter's coffin.

But although Wardell must have thought his performance had convinced everyone of his innocence the police had a very different view.

They believe that he suffocated and strangled his wife at home before driving to the building society and looting the safe using her security code and keys. He then dumped her

body. Finally he returned home and beat himself in the stomach before gagging himself with a ripped sheet from his garage and tying his hands and legs to a rubbish bin.

The police were suspicious of his story that a gang of hardened criminals who were willing to kill for money chose to take just £14,000 from a rural building society branch, and leave other valuables at the Wardell's home.

Knif experts proved that he could have tied and gagged himself and anaesthetists said it

would have been almost impossible for him to have been unconscious for 10 hours - he would have been knocked out for only a few minutes, they said.

Another key piece of evidence that helped convict Wardell was the post-mortem examination. The court was told that scientific examination of Mrs Wardell showed it would have been impossible for her to have been alive at 10pm when Wardell said he arrived home.

It was also told that despite Wardell's claims that he had

smelled smoke at his home forensic tests revealed no cigarette ash or smoke in the house and no sign of glove or hand prints from the gang.

At the trial Richard Wakerley QC, prosecuting, said: "He made mistakes. He tried to be too clever. Maybe he overlooked the scientific evidence the police could bring to bear."

Later Detective Superintendent Tony Bayliss, who led the investigation, described Wardell as a "cool, cold, calculating" person.

## Lottery funds help gallery buy masterpiece for £16m

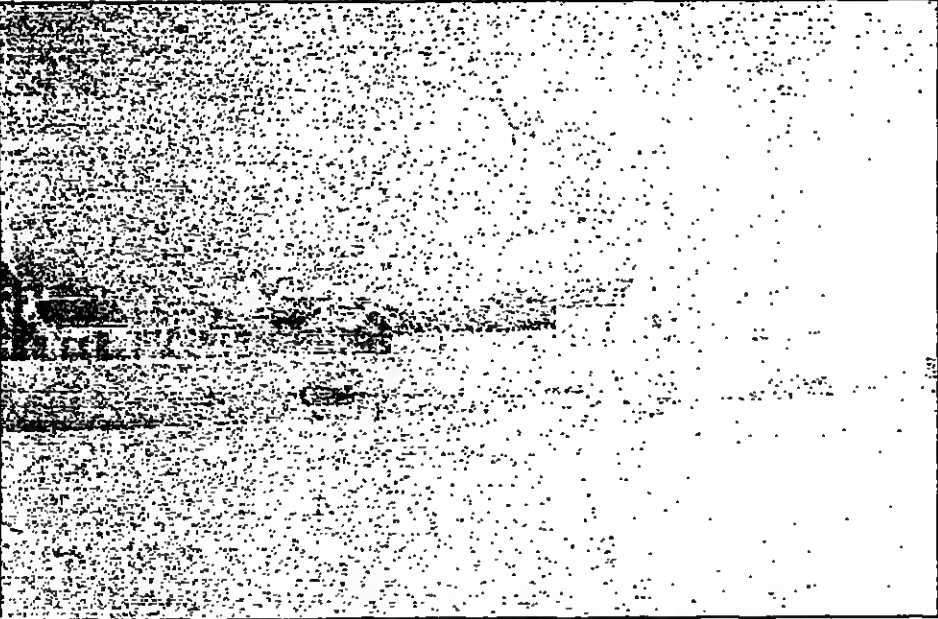
JOHN MCKIE

The National Gallery yesterday announced that it has bought Georges Seurat's classic painting *The Channel of Gravelines* for around £16m, half of which has come from National Lottery funds. The French Post-Impressionist masterpiece fetched £6m when it was sold abroad in 1986.

The National Gallery last night defended the decision to use £2.7m of Heritage Lottery Fund money over the next three years for the purchase. John Leighton, the gallery's curator of 19th century paintings, said: "There hasn't been a major work by Seurat to appear at auction since 1970 and this is a work that would be much sought after by most art dealers."

"The British public now owns the painting and it's there for them to see for ever and ever. We don't sell."

The piece will hang alongside seven other pieces by Seurat and Van Gogh's *Sunflowers* in the National Gallery's most popular section. It is the first major work bought by the National Gallery since the early 1980s and, in addition to lottery funds,



Classic image: Georges Seurat's Post-Impressionist 'The Channel of Gravelines'

was paid for by the gallery and other donations.

It is intended that the Seurat will stay in Britain, mainly at the National Gallery in Trafalgar Square, but it will also visit three other public galleries, starting

in Glasgow. The painting was on a five-year loan to the National Gallery from Heinz Berggruen's private collection, which was due to expire next year.

Mr Leighton also countered accusations that the gallery had

paid too much for the painting, given its decision not to enter the 1986 sale "I am sure they tried to buy at that time but it's important to remember that was before the art market had taken off."

## UK scientists claim breast cancer gene breakthrough

CHARLES ARTHUR  
Science Correspondent

British scientists hope that their discovery of a second gene for breast cancer, announced yesterday, may lead to treatments for the disease which kills 16,000 women a year in the UK.

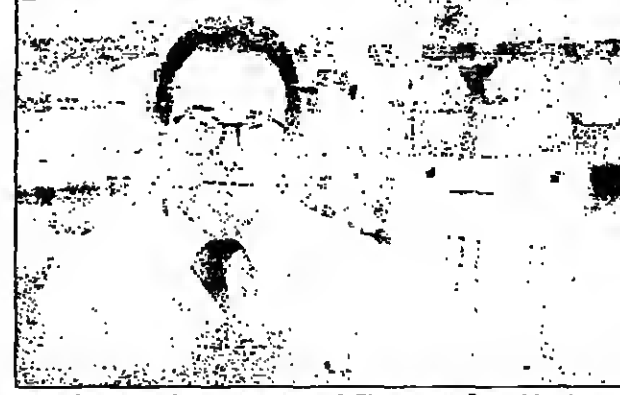
The team, funded by the Cancer Research Campaign, won a three-way international race to find the gene, code-named BRCA2.

Few cases of breast cancer are inherited; about 95 per cent appear to be "sporadic". But by analysing genetic differences in the cases which do run in families, researchers hope to cast light on non-inherited cases.

Although the newly-discovered gene is extremely rare, and thought to cause only 2 per cent of all breast cancer cases, researchers think that it may play a key role in allowing the disease to progress.

By understanding how it works, they might be able to develop treatments for any form of breast cancer.

They discounted the suggestion their work might lead to people choosing abortions based on genetic testing of fo-



Mike Stratton: Led the research Photograph: Peter Macdiarmid

tuses. If they were carrying the gene, "Some women in families with this gene decide that they don't want to be tested to see if they have it," said Mike Stratton, who led the team at the Institute of Cancer Research.

"Pre-natal tests would need very careful consideration."

The first breast cancer gene, BRCA1, was discovered by an American team at Utah University in 1994 after four years work. The same team, and another in Texas, were also trying to pinpoint the second gene.

BRCA1 and BRCA2 were

tracked down by analysing genes from families with a history of breast cancer in female relatives. BRCA2 is particularly associated with early onset of the disease - one woman in the sample developed breast cancer at 19 - and only with breast cancer. BRCA1 is also associated with an inherited tendency to get ovarian, prostate and colon cancer.

While BRCA1 accounts for almost half the 1,000-plus known breast cancer families in the UK, BRCA2 is likely to be responsible for a third. It is also

thought to play a key role in breast cancer in men in these families; 100 men die of the disease in the UK annually.

BRCA2's importance has led researchers to think it plays a key role in the development of breast cancer. "The BRCA2 gene has a fault which means that the protein it makes lacks function. It's like the brakes on a car not working," said Mike Stratton, of the Institute of Cancer Research, who led the team tracking down the gene. "That may mean it cannot stop cells replicating, allowing them to form a tumour."

The team now wants to try to find out what role the protein made by the gene plays. "By finding that, we may be able to find the drug strategies that will allow us to treat the cancer," said Dr Stratton.

However, screening everybody for the gene would be virtually impossible, he said.

The Cancer Research Campaign has filed a preliminary patent covering its research on the gene. Diagnostic tests for BRCA1 must pay royalties to Myriad Genetics, a company set up by the American scientists who discovered and patented it.

Cellnet and Vodafone think Saturday should be peak rate on their business tariffs,

Orange think the whole weekend should be off-peak.

Another reason why, on average, Orange users save £20 every month.



## news

# 'Satan's burglar' is jailed for 27 years

A burglar known as Lucifer who preyed on wealthy households and was branded the most dangerous robber in Britain after a "wicked and callous" campaign of terror, was jailed for 27 years yesterday.

Keith Bramble, 36, who boasted that he was protected by Satan and could never be caught, has received the longest term of imprisonment ever passed in Britain for domestic break-ins.

At Middlesex Guildhall Crown Court Judge Derek Clarkson told Bramble, who po-

lice estimated made £1m in 100 robberies over 10 years, he had enjoyed frightening his victims.

"It is a sorry feature of this case that inspiring terror seems to have had an appeal to Keith Bramble... [he] gloried in the effect that he could produce in the wave of terror."

Domestic burglaries were much more serious than raids on banks or building societies - institutions prepared for such crimes, he said. "Residents in their own homes are taken completely by surprise and, with the use or threat of per-

sonal violence, they are forced to part with their money and their rings... taken from their hands."

Judge Clarkson said too many courts looked "with a certain intellectual detachment" on crimes committed in Britain without taking into account the effect on the victims. "The public expect... judges to take into account the effect of crimes of this sort on people who are attacked in their own dwellings, where they should feel always at ease and secure."

After being told by Detective

Inspector John Shatford, who led the hunt for Bramble, that his victims had been left "devastated", unable to sleep properly, paranoid about security and frightened to be alone, the judge said he had been struck by the way Bramble, 6ft 4in, had strolled "indifferently" around his victims' houses, taking what he wanted and causing "shock, torment and horror".

He said the punishment should "act as a deterrent... against such serious crimes". He would be invoking special sentencing powers available under

the Criminal Justice Act to impose a jail term 50 per cent longer than he would otherwise have passed.

He sentenced Bramble to concurrent terms of 21, 22 and 27 years for three robberies and six months concurrently for assaulting a prison officer with intent to resist arrest.

Anthony Gabbidon, 31, who accompanied Bramble on the last raid, was jailed for 16 years for the raid, and 12 months consecutively for wounding an arresting police officer with intent. Det Insp Shatford said after

the hearing: "This is a very good result. This is the longest jail sentence ever imposed for domestic break-ins."

He said Bramble, who dressed in black, wore a "highwayman's mask" and armed himself with an arsenal of weapons, including crowbars, knives and a screwdriver, had carried out "a campaign of unmitigated terror". Bramble, he said, liked his victims to be in so he could "relish their fear" and feed his addiction for inflicting "maximum terror".

Det Insp Shatford had told

the judge that Bramble, of no fixed address, had targeted homes in up-market areas such as Bishops Avenue, Hampstead, north London. Many of his victims turned their homes into "fortresses" or moved out altogether.

"They will never recover from it," Det Insp Shatford said. "I have spoken to them all and they are totally devastated... they do not feel safe in their own homes any more. Nightmares are a frequent occurrence and they actually had flashbacks... of what happened."



Bramble: Record jail term for domestic burglaries

## Animal hospital works to save the eyes of a tiger



Tiger feat: Veterinarians at an animal hospital in Ontario, Canada, perform cataract surgery yesterday on Nogi, a seven-month-old tiger who has been blind since birth. Veterinary students peer through the operating room window. Photograph: Peter Power/AP

## Bormann book 'a fairy story', say Churchills

STEVE BOGGAN

A book which claims that Martin Bormann, Hitler's deputy, was snatched from Germany and settled in England by Winston Churchill has been awarded a £500,000 advance by one of Britain's highest publishing houses.

Simon & Schuster believes it has landed one of the greatest publishing coups of the decade, but historians and members of the Churchill family yesterday described the account as "a fairy story".

The book, to be published next September, is being ghost-written by Duff Hart-Davis, the ghost-writer of a string of successful books including, most recently, *The One That Got Away*, the rival to Andy McNab's blockbuster *Bravo Two Zero* about the activities of the SAS.

It is being drawn from the account of a mystery intelligence officer calling himself Christopher Crichton, who claims that he and Ian Fleming, author of the James Bond novels, led a team of 150 British commandos charged by Churchill with rescuing Bormann from Berlin in the last days of the war and bringing him to Britain.

Bormann, the story goes, had access to billions of pounds stolen from occupied countries and only he could authorise its release from Swiss bank accounts so the Allies could return it to its rightful owners. In return, the Nazi was given a false identity and settled in a village in the Home Counties with a Danish mistress by whom he fathered a daughter.

According to the Crichton account, Bormann, who was sentenced to death in absentia at the Nuremberg trials, died six years ago and is buried near the unnamed village in an unmarked grave.

Mr Hart-Davis said he was sceptical when first approached to ghost-write the book, but he is now convinced Crichton's account is true. "We are expecting a lot of criticism and



Top Nazis: Hitler with his deputy, Martin Bormann (left)

disbelief - well, you would when you rewrite 50 years of history," he said. "I have seen a lot of the evidence and it's compelling."

That evidence is said to include letters from Winston Churchill to Crichton dated 1956, turning down the latter's request for permission to write his account then.

However, Mr Hart-Davis said he remains baffled by the fact that none of the 150 commandos has ever come forward to discuss the mission (he estimates there are 30 left) and by the fact that Fleming never mentioned it to any of his family or friends.

Historians are already gunning for the new account, which attempts to refute the officially accepted view that Bormann died in Berlin. Remains found at the spot where he was supposed to have died have been authenticated as his, although arguments still rage.

The idea that Churchill should authorise such a preposterous operation simply beggars belief, said Richard Overy, Professor of Modern History at King's College, London. "I cannot believe Churchill would have risked alienating our allies by secretly protecting someone as senior as Bormann while every effort was being

made to apprehend other war criminals.

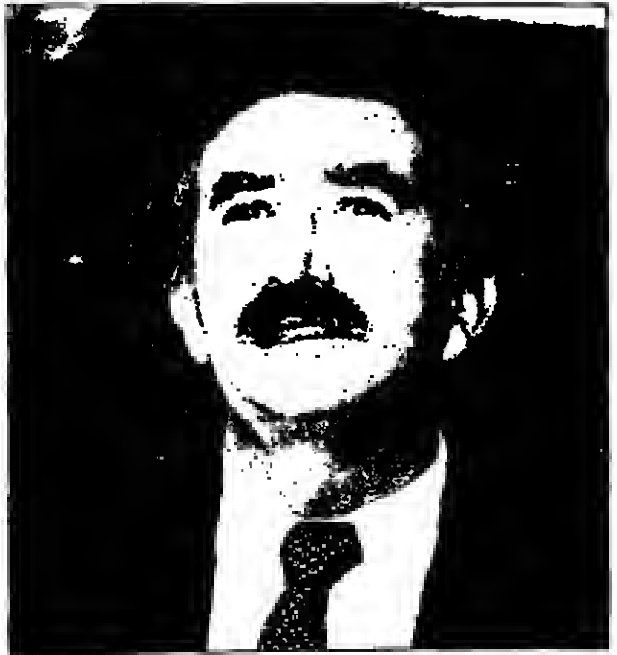
"I would be the most surprised historian in Britain if this turned out to be true. It would be impossible in the chaos of the closing days of the war to know where Bormann was, let alone bank on getting to him."

Winston Churchill MP, the wartime prime minister's grandson, said: "It's just a fairy tale. A few years ago, Martin Bormann was found alive and well in the Congo. I regularly get letters from a man in Newhaven who sees Dr Josef Mengele in his local cafe."

"Have any of these so-called commandos come forward? No. And there are hundreds of thousands of letters with my grandfather's signature on. I got told off by Sotheby's a few years ago because it turned out I had been authenticating his signature on letters which had actually been made from a stamp."

Despite the scepticism, Nick Webb, managing director of Simon & Schuster, believes he will get his money's worth. "Other publishers turned the book down, but they did not see what we have seen," he said. "We have checked out the evidence and it stands up well. We know there will be doubters, but all we can say is wait and see."

## Solicitor 'milked' £7m from relatives of dead



Durnford Ford: 'Devious conman who cheated the dead'

A solicitor who headed one of the biggest law firms in the South-east was jailed for 10 years yesterday for stealing more than £5m from the estates of dead clients.

Graham Durnford Ford, 52, of Battle, East Sussex, had admitted 10 specimen theft charges, during the original hearing in October at Maidstone Crown Court. His former junior partner, William Bew, of Cirencester, Gloucestershire, received a 15-month suspended sentence after being found guilty of four counts of furnishing false information.

Durnford Ford, who was described as a tyrant by his senior partners, headed a law firm based in Hastings, East Sussex. There were other branches in Battle, Bexhill, Eastbourne, Hailsham, Polegate, Rye, and Seaford, and the company also had offices in Ashford, Kent, and London.

The court was told that between 1989 and 1992, funds

awaiting distribution from the estates of the deceased were plundered. Timothy Barnes QC, for the prosecution, said it was not in the public interest to divulge the exact amount stolen. But he added: "The extent of the losses is not less than £5m."

Global losses paid out by the Law Society in compensation totalled £8.7m, the court was told. Other former directors now have to pay 50 per cent of their salary over £16,000, plus any windfall payments to the Law Society. Contributions by solicitors up and down the country to the Law Society compensation fund have also increased.

Mr Barnes said that although most estates were simple, Ford had taken an excessive amount of time to release assets.

He told the jury this was because the assets were rapidly turned into cash and transferred into the firm's account using interim bills. These bills were never sent to clients, instead they were shredded and the ir-

regularities were only noticed when the practice collapsed in May 1992. Copies remained in the company's accounts.

Fees charged were also excessive, said Mr Barnes, sometimes eight times the going rate. This meant that when money was forthcoming from a deceased person's estate the amount was substantially smaller than it should have been.

One estate of £33,800 was reduced by Durnford Ford to just £530. Another fell from £6,000 to just £9,200, and a bequest of around £140,000 to the Guide Dogs Association was reduced to £13,500.

The court was also told that Ford used the office bank account almost as his own personal funds. During four years of fraud he took almost £370,000 for personal use - "providing him with a very good living indeed".

He was first confronted with the allegations, when two colleagues became suspicious over

excess billing. Following Durnford Ford's arrest by the serious fraud office, his law firm collapsed with the loss of 230 jobs.

Passing sentence, Judge David Croft said Ford had bought shame on his profession. "First it could be said you were cheating the dead. Likewise grieving relatives, and you put the executors in an intolerable position while the stress on families hardly bears thinking about."

"Your dishonesty and lying didn't stop there - other victims were your partners, some of them old friends, and their families. At no stage have I identified any remorse at what you have done."

Before sentencing Bew, Judge Croft said he had "never seen a more reluctant man of dishonesty".

He said Bew had been "bamboozled" into getting into trouble. "You were exposed to one of the most devious conmen I've come across."

## Ofwat calls for drought order cash penalties

MARY FAGAN  
Industrial Correspondent

The water industry could be hit with a massive bill for compensating customers at times of drought if proposals from the watchdog, Ofwat, go ahead.

Under the plan, water companies may in future have to pay £10 per day up to a limit of £100 to households affected by standpipes or rota cuts. Customers experiencing problems because of a drop in water pressure would be entitled to £25 in a given year and businesses would be allowed to claim against losses caused by a Drought Order.

Ofwat's director-general, Ian Byatt, stops short of suggesting compensation for hosepipe restrictions but says that those paying for water through use of a meter should be the last to be subject to any ban. Millions of people have experienced hosepipe bans since the summer months and in many areas the restrictions are still in place.

The move was given only a guarded welcome by consumer groups, with Ofwat's Customer Council calling again for retrospective help for those who have suffered in 1995. Jim Gardner, council chairman said: "Any changes that are made to strengthen the statutory rights of customers will come too late to help those customers who have suffered this year. They must not be forgotten."

The National Consumer Council argued that the £10 daily compensation should not be time limited to 10 days in a year, dismissing as "very weak" Ofwat's view that it does not

want so harsh a penalty as to "bankrupt" the firms.

Robin Simpson, deputy director of the NCC, said: "If this is such a rare event as the water companies say it is, then what have they to fear from an indefinite scheme? If it is such a danger [to their finances] then there must indeed be a serious risk and we should be telling the public."

Ofwat's proposals are part of a consultation document containing recommendations for the Secretaries of State for the Environment and for Wales, who would have to implement the changes in law.

The watchdog said that the figure of £100 chosen as the limit for rota cuts and standpipes is roughly equivalent to the water-related part of the average water and sewage bill. A spokeswoman said, however, that opinions were being sought on the level of compensation, including whether higher companies should have to pay more.

She said Ofwat still wanted companies to volunteer redress for people who have had problems this year, but pointed out that there is at present no legal requirement for them to do so. Only a few of the companies, including Thames and Wessex, have taken any action so far.

Frank Dobson, shadow Environment Secretary, accused the watchdog of taking the wrong approach, saying that Mr Byatt should be putting pressure on the companies to cut leaks from the pipe system - a major cause of this year's difficulties - rather than seeking compensation when problems occur.

## British Psychological Society: Scientists cast doubt on attempts to cut fraud and reveal sci-fi cult fans' secrets

## Photo-cards lose credit Trekkies declared human

Attempts to cut credit card fraud with photo-cards are probably a waste of money, according to the first study to analyse their effectiveness.

In a controlled experiment at a London supermarket more than 50 per cent of fraudulent cards were accepted.

Richard Kemp, from the department of psychology at Westminster University, told the BPS conference that trying to match a photo to a stranger's face was "too difficult". In non experimental situations the detection of fraud would be even lower, he added.

Dr Kemp's team took over a supermarket staffed by six regular cashiers who were warned to be on the look-out for fraudulent cards. A group of 44 students acted as "shoppers" armed with four photo credit cards; one as the student looked, one with cosmetic changes, and two fraudulent cards of someone who resembled the student and one of someone totally different.

Overall more than half of fraudulent cards were accepted; including 64 per cent of the cards bearing a photo of someone who looked similar to the

student, and 35 per cent of fraudulent cards with photos that looked different. Fourteen per cent of the valid cards were also rejected.

Credit card photographs are already offered by some banks and building societies who claim a reduction in fraud as a result. The findings of the study cast doubt on this, said Dr Nicky Towell, one of the researchers. "There is a widely held assumption that photo credit cards are a cheap and effective way of stopping fraud. But this is not the case," she said.

One in ten "Trekkies" - fans of the cult television series *Star Trek* - are addicted to the show and develop withdrawal symptoms when their access to film or videos is restricted.

A study of 250 Trekkies by Dr Sandy Wilson and Dr Ian Inglis of Northumbria University revealed that a small proportion of fans showed this obsessive trait, and developed anxiety and stress symptoms if deprived of regular viewing.

However, the majority of fans were healthy, happy individuals - perhaps a little on the shy side - who derived enormous enjoyment and wide social contact through their interest in *Star Trek*. They are not lonely, inadequate people who are drifting in a nether world of *Star Trek* which is the common stereotype. They are the same as any other fan of opera, wine or music," Dr Inglis said.

More than half of Trekkies in the study were married, a quarter had degrees and 53 per cent were women. Their age ranged from 7 to 69 and they came from every occupational and educational background.

Many said they were inspired to study science by watching *Star*

*Trek* as a child. Others said they drew inspiration from the programme in times of trouble.

Dr Inglis said that the philosophy of the early *Star Trek* series - of a harmonious universe free of racism and sexism - appealed to many fans. "These were radical ideas explored and developed by the series in the Sixties," he added.

However, *Star Trek: The New Generation* was now surpassing the original in popularity. "The optimism of these films may be providing an antidote to the bleakness of the Eighties and Nineties," he said.



Beating motorway madness: Psychologist launches new drive at service stations to promote calm behind the wheel



Hot seat: The chef Albert Roux, left, on the psychologist's couch with Conrad King at South Mimms service station

Photograph: John Voos

## Couch trip that helps to combat road rage

LOUISE JURY

Albert Roux, the chef and newly-appointed consultant for motorway service station food, was supposed to be testing mince pies when he found himself on the psychologist's couch. "Stress is a matter of the mind," he told psychologist Conrad King, helpfully, as they sat alongside the coffee machine at South Mimms service station on the M25 at Potters Bar. "If you're in traffic, never get exasperated, never be rude. Just be calm, otherwise you're consuming energy for nothing."

Informed that the RAC was advising motorists on "road rage", the flamboyant French chef was more than willing to join in. Somewhere along the line he missed the point that the person receiving the benefit of his wisdom was the man supposed to be dispensing it.

Mr King is an expert on the

menace of anger on the roads. He was at the service station to help motorists understand their frustrations, but drivers were not coming forward until Mr Roux stopped by.

Mr King did not mind as long as the message got across: "Frustration or stress in the car is not dangerous. What's dangerous is what you do with it." Shouting and swearing in the confines of a vehicle only affects the driver. Offensive gestures to others sets off a chain reaction that can end in violence.

Yesterday the Glasgow-based psychologist was at South Mimms. Today he will be at services on the M3 at Fleet, in Hampshire, and tomorrow at Bitchanger Green on the M11 in Essex.

Brian Perkins, a 60-year-old lecturer and marketing consultant from Cheshire, thought it an excellent idea. "I've had some pretty harrowing experi-

ences on the roads," he said. He considered himself "relatively" placid, but certain antics infuriated him. Other drivers queue-jumping when he was waiting, for example. "You get angry at people becoming in-disciplined and you become in-disciplined," Mr King told him to concentrate on relaxing.

The advice was too late for Richard Sullivan, 34, from Armistage, Staffordshire. He had an accident yesterday and, hearing about the counselling session, popped in for a few words. "I was with him for about 35 minutes," Mr King said. "His car was written off and he was feeling kind of numb and wanted to talk to someone about it."

Edmund King, the psychologist's brother and the RAC's head of campaigns, said Christmas was a stressful time. "We do not want stress spilling out on to the roads. Take time to relax and slow down."

## MPs attack CSA over 40 per cent error rate

CHRIS BLACKHURST  
Westminster Correspondent

Social Security ministers and officials at the troubled Child Support Agency were slated by a powerful group of MPs yesterday for making too many mistakes in maintenance assessments.

Members of the Commons Public Accounts Committee, which is dominated by Tories, said they were "gravely disturbed" that four in 10 demands issued in the agency's first year were riddled with errors. In a hostile report, the committee "severely criticises" the agency and the Department of Social Security for "allowing this state of affairs to arise".

MPs said they were "concerned" that the agency had set a target of only 75 per cent accuracy this year, implying an error rate of one in four.

Despite warnings from the agency's chief executive, Ann Chao, that it may be impossible to secure a 100-per-cent accuracy rate, owing to difficulties in applying the financial formula to assess money owed by absent parents, the committee warns: "Achieving accuracy in maintenance assessments is essential if the agency is to provide a fair and efficient service in the interests of children."

After repeated claims that fathers were being hit with unfair demands and suffering enormous financial strain, Peter Lilley, the Secretary of State for Social Security, made changes to the agency's operations, including a cap on maintenance payments, an appeals system and taking more account of fathers having remarried and supporting second families.

Mr Lilley was implicitly criticised by MPs for not having acted sooner. His officials, the committee said, ought to have established at an earlier stage the financial and management information required by the agency. Officials told the committee that setting up the agency was a "high-risk strategy" involving new policy, new staff and an untried computer system.

Particular criticism is reserved for the way in which the first CSA chief executive, Ros Hepplewhite, was allowed to resign with six months' salary after a period in which management targets were missed and 40 per cent of assessments contained errors. The agency was also criticised for its inability to provide an estimate of the amount of maintenance that was not collectable.

MPs noted that the Department is to issue a report on what went wrong and on lessons to be learnt; they called for this to be produced urgently.

The report concludes that account should be taken of the risks run to new projects and it looks to the agency to "continue to show improved results".

Andy Farquarson of the Network Against the Child Support Agency, a pressure group of mothers and fathers, said the report confirmed what they had been saying all along, that "the general public has been deceived by this Government".

Mr Farquarson said: "This is a damning report which vindicates our criticisms of the CSA, that it is bureaucratic, inflexible, inefficient and does not take into account individual circumstances of fathers, mothers and children."

### DAILY POEM

#### Judith with the Head of Holofernes

By Antony Dunn

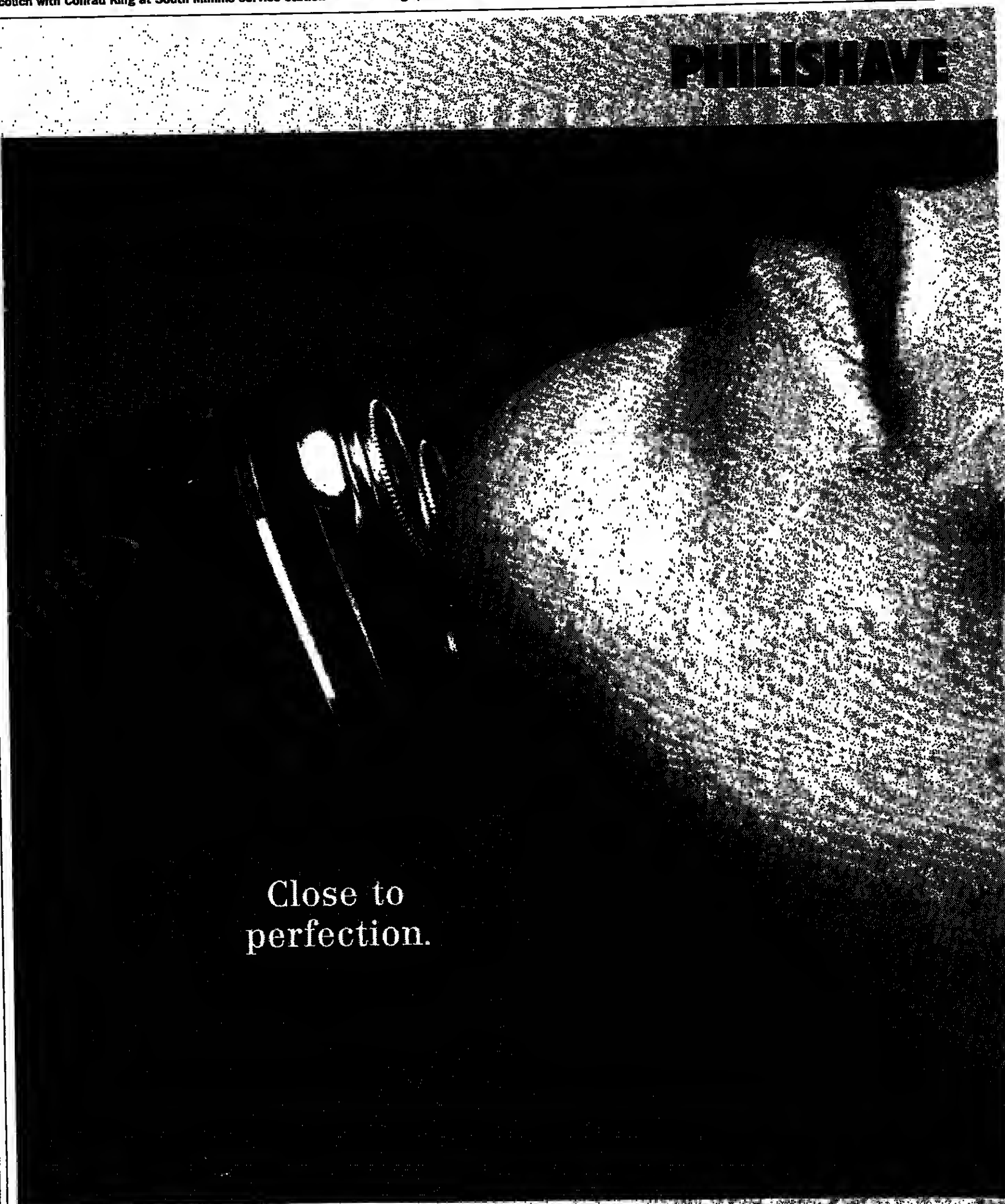
Judith cannot wait for the invention of the camera. Posing for the unpeeped sculpture this week, the chinking of chisels bringing on a migraine, and that red paint in the carpet nugging at her tired eye, she is fast losing her fabled patience.

Besides, she feels daft standing for sculptors and painters with her ammunition pouch of lipstick, perfume and blade in one hand and a big pineapple in the other - the head of Holofernes is stinking on a stake above the city's proud walls.

While the whole paparazzi of artists drools shamelessly over flesh, quick and dead. The papers will insist on calling her the Black Widow, and their readers, of course, don't want to hear that God has been involved - always sure to spoil the human angle.

Hard to look triumphant when her triumph is so misunderstood. Best to daydream, not interpreting pictures of herself chained to railings, or throwing her body beneath Nebuchadnezzar's horse. Patience. Give them breasts and thighs for now. God later.

Antony Dunn, who graduated in English from St Catherine's College, Oxford, this summer, was the winner of the 1995 Sir Roger Newdigate Prize with this poem. Newdigate (1719-1806), MP for Oxford University and alumnus of University College, founded the prize for undergraduate poetry in 1805, since which time Oscar Wilde, John Bayley, John Fuller, James Fenton, John Heath-Stubbs, Andrew Motion and Glyn Maxwell have been among its recipients.



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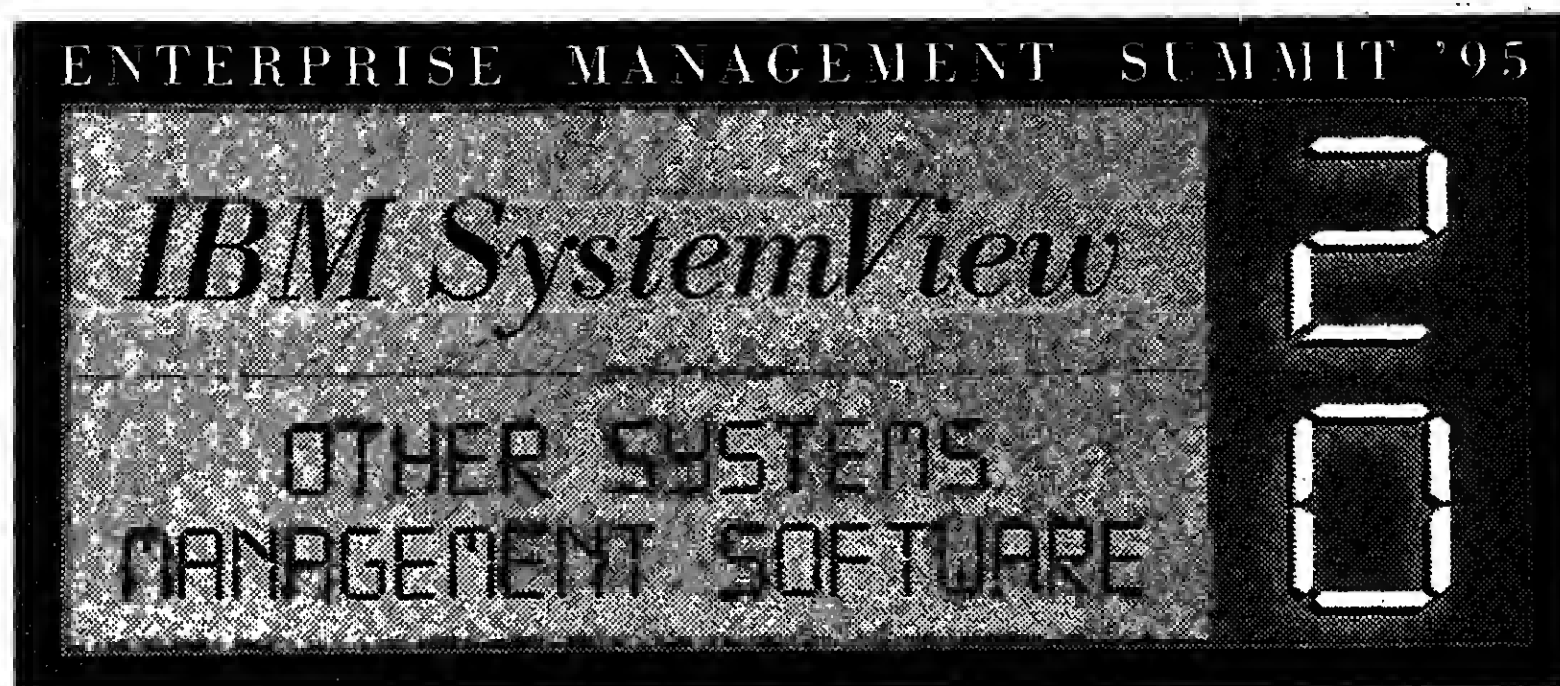
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هكذا من الأصلي



It wasn't on TV. It didn't fill a stadium. But if you were looking for better ways to manage an information system, it was probably the most important event of the year.

The Enterprise Management Summit is an annual head to head between the industry's top systems management software vendors. The idea? To prove whose software can best handle the sort of problems you face every day. Not a competition for the faint hearted.

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# Conservation treaty gives birds a special Mersey beat



Special protection: Oystercatchers feeding on the incoming tide of the Mersey estuary, which supports a high number of waders and waterfowl and was designated yesterday as a bird conservation area

Photograph: Craig Eastern

**NICHOLAS SCHOON**  
Environment Correspondent

One of Britain's most polluted and industrialised estuaries was yesterday designated as a bird conservation area, protected by international laws.

The Department of the

Environment decreed that the Mersey estuary was now a Special Protection Area for Birds (SPA), under the European Union's birds directive, and a Wetland of International Importance under the Ramsar Convention, an international habitat conservation treaty.

Twenty square miles of shipping channels, mudflats and saltmarshes are covered by the designation. Development can only happen here if the Government can show there is a strong national need for it. Pollution levels in the Mersey have been falling for a decade

as raw sewage outfalls have been closed and chemical and other industries have reduced their toxic discharges.

Despite the abuse, it has always managed to support high numbers of waders and waterfowl, especially in winter. About 80,000 birds use it at this time

of year, including one-sixth of all the pintails living in Britain. The Mersey was one of the first British estuaries to be proposed for international designation. The Government has taken so long to act partly because of local fears that the habitat protection would frus-

trate economic development. Designation seemed incompatible with earlier plans to build a runway at Liverpool Airport into the estuary and to construct a tidal barrage across the river mouth. Both these projects have been shelved.

There are now 113 SPAs for

birds, and the Government has promised to declare 20 a year. Conservationists were delighted, but they are also appalled that the Government intends to allow oil and gas exploration in two other estuaries in the north-west which have SPA and Ramsar status.

Philip Rothwell, head of policy at the Royal Society for the Protection of Birds, said: "We're delighted at the news about the Mersey. But to allow oil exploration in some of the most important wildlife sites we've got in Britain is spectacularly inappropriate."

## Jet punch-up Britons fly home

**DECCA AITKENHEAD**

Three families arrived back at Gatwick yesterday after being involved in a punch-up on a flight to Los Angeles, which they blamed on the airline's generosity with free drink. The group of 17 returned to Britain under airline security, leaving one person in custody in Minneapolis.

The British and Irish passengers, all related and ranging from men in their sixties to two-year-olds, boarded the 747 Northwest Airlines aircraft on Monday for a Christmas holiday. According to an airline spokeswoman, they broke out several hours into the flight,

when crew declined to serve them further free drinks.

"They had already been drinking their own duty-free alcohol, and when attendants refused to serve any more, the families deployed their children to steal bottles stashed in the galley. The group became abusive and started throwing food at flight attendants. The crew made every effort to calm them down, including the captain, who came down from the cockpit to try and restore order."

When this failed, three members of the United States Olympic wrestling team also on board joined in, and handcuffed two of the group to their

seats. Handcuffs are standard issue on all flights, the spokeswoman said.

On landing in Minneapolis, Minnesota, police and immigration authorities removed the "extremely inebriated" group from the jet, and denied them entry to the US. Michael Purcell, 25, was remained in custody on charges of assaulting and intimidating a crew member and flight attendant. The families were detained at the airport, and flown back to Gatwick this morning by Northwest Airlines, under a security escort and an alcohol ban. On arrival, there were chaotic scenes as they were pursued around the

concourse by members of the press. Eileen Cash, a grandmother of Kilburn, north-west London, said: "Something happened on the plane. We feel ashamed and embarrassed over it, but we never did anything wrong. They gave us drink on the plane, they shouldn't have."

Her daughter Eileen Connors, also of Kilburn, said: "The man arrested was nothing to do with us. We were just a bit noisy... why were they giving out drink? People will get drunk."

This was the families' first flight with Northwest, and the spokeswoman said the airline would be unlikely to carry them again.

## Inquiry clears Monklands

**COLIN BROWN**  
Chief Political Correspondent

An independent inquiry yesterday cleared Monklands council in Strathclyde of damaging allegations of "jobs-for-the-boys" employment practices.

The inquiry report said there was "substance to the perception that political power was exercised by a small number of Coatbridge councillors".

The inquiry inspector, William Nimmo Smith QC, said that much of the trouble had arisen "from the insensitive exercise of power" by Labour councillors.

But he found no evidence for

the allegations that jobs were reserved for Labour members and the families of key Labour officials. The allegations were deeply embarrassing for the Labour leadership as the town was the constituency of the party's late leader, John Smith.

The charges of nepotism had been used by Conservative MPs to deflect criticism of Westminster City Council, but yesterday, Michael Forsyth, the Secretary of State for Scotland, announced that the council had complied with the law requiring authorities to make appointments on merit.

The inquiry report said the involvement of councillors in the

appointment of staff had given "apparent substance" to the allegations of nepotism. But he said procedures since April last year had ended that problem, and there was no evidence of nepotism in any appointments since 1990. Mr Forsyth said no further action was required by him.

The report came as a relief to Labour. Claims of a "Monklands Mafia" among the ruling Labour group on the district council erupted in an acrimonious by-election campaign last year after the death of Mr Smith.

During the campaign, a former Scottish Office minister, Allan Stewart, claimed some appointments were influenced by

religious bias. But Mr Nimmo Smith found no evidence to support any allegation of religious bias in any appointment to employment with the council.

The report was hailed as a vindication of Labour's demand two years ago for an inquiry by George Robertson, the party's spokesman on Scottish affairs. Labour's national executive committee will be considering its own report on the allegations.

"While there are strong criticisms in the report of councillors and council procedures... the wider allegations of ministers and David Shaw [Tory MP for Dover] have been firmly rejected," Mr Robertson said.

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**Third prize**  
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HS-RX848 Personal Stereo Tape Model  
HV-FX77 VCR

**Fourth prize**  
LCX-500 Micro Hi-Fi System  
HV-FX77 VCR

**Fifth prize**  
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**Runners-up**  
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The compact size of the LCX-500 Micro Hi-Fi System belies the quality of its sound. This versatile system comprises 10W+10W amplifier, 3-band tuner, top-loading CD player, cassette deck and speakers.

The HV-FX77 VCR is packed with features that make recording and playing so simple that even adults can do it. It has four heads for increased picture clarity, VideoPlus for ease of programming and a one-month, six event timer programme.

For music on the move, the lightweight XP-R600 Personal CD Player offers great CD sound plus a digital synthesiser tuner with 30 pre-set bands.

The NSX-999 Mini Hi-Fi System is built around a powerful 150W+150W amplifier linked to a tuner, 3-CD auto changer CD player, and a double auto-reverse cassette deck. The speaker system features 3-way bass reflex.

The HS-RX848 Personal Stereo Tape Model offers full remote control with a digital tuner and one-key joystick operation.

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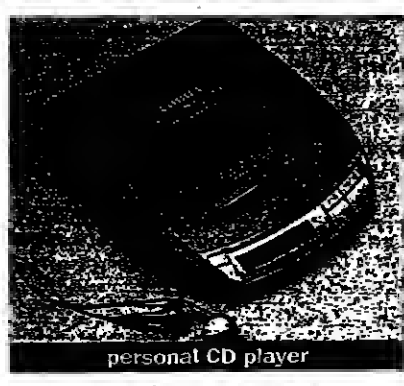
The entry form, which we published yesterday, will be reprinted in Saturday's Independent. Rules as previously published.



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## D-DAY IN BOSNIA

## Nato takes a step into the unknown

CHRISTOPHER BELLAMY  
Defence Correspondent

About 3,500 British soldiers and a similar number of French troops are digging in for a fourth Bosnian winter as the Nato Implementation Force (I-For) takes over the military peace-keeping operations from the UN Protection Force. Another 10,000 British, 7,000 French and 20,000 Americans are on their way. While it is a new venture for the Americans, this winter will be different also for the British and French.

From yesterday—D-Day in the timetable drawn up at Dayton—if their freedom of movement is impeded, if local

factions contest their authority or violate the ceasefire, Nato troops may open fire with weapons which the locals have not yet seen, including 66-ton US Ahrms and British Challenger tanks and self-propelled guns able to score a first-round hit at 15 miles.

The Nato operation "Joint Endeavour" and its British component, "Resolute", should be much simpler than the complex and chaotic task undertaken by the UN. It will, nevertheless, be without precedent in peace-keeping history. Most "traditional" peace-keeping missions, like those in Cyprus, the Middle East and Cambodia, have been interim

arrangements, with peace-keepers holding a line while negotiations continue. In Bosnia, Nato will be implementing an agreed peace.

Preparation for elections, refugees, and humanitarian aid will not be Nato's concern, although the civilians charged with these tasks will probably call on Nato troops for escorts. The work of the other organisations is being co-ordinated by Sweden's former prime minister, Carl Bildt, known as the "Higher Representative" who received his commission from the Security Council but represents the EU and the Organisation for Security and Co-operation in Europe as well.

For Nato, everything should be relatively simple. The only uncertainty should be the interpretation of agreed lines on the ground: the border between the Muslim-Croat and Serb entities in Bosnia and the demilitarised zone stretching for two kilometres on either side.

The implementation of an agreed peace poses a dilemma. If one side interprets the agreement differently, Nato will find itself in the business of "enforcement"—intervention to impose a solution. It is equipped to "enforce" a view, but it may have to think on its feet to formulate it. Within a context of "implementation" there may be islands of "enforcement".

Nato planners have the process of deployment, implementation and transition to peace laid out on a flow chart, but admit the process is "extremely fluid", not least because of the weather. Yesterday authority was transferred from the UN Protection Force (Unprofor) to I-For and joint military commissions comprising the warring factions were set up under Nato chairmanship to oversee mapping of hundreds of miles of demarcation line which follow the ceasefire line reached at the end of hostilities in October, with a few exceptions.

A 700sq-mile area, known as the "egg", around Mrkonjic Grad, overrun by Croat forces, will be returned to the Serbs. The area north of Sarajevo will be ceded to the Muslim-Croat federation, as will a corridor from Muslim territory south of Sarajevo to the former pocket of Gorazde.

The "egg" is pretty well deserted, apart from Croat troops, and although it is the biggest area to be transferred, the British troops who will be responsible do not expect too much of a problem. The Serbs who lived there all fled, and no Croat or Muslim civilians have attempted to settle there.

The situation around Sarajevo, where Serbs lived cheek-by-jowl with Croats and Muslims, is far more sensitive.

In addition to 60,000 Nato troops, 2,000 UN civil police are being deployed, to give confidence to the local civilians. Positions on the ceasefire line around Sarajevo will be transferred or vacated by next Wednesday.

The next and most difficult milestone is "D plus 30"—around 18 January when the former warring factions have to have released prisoners and vacated the zone of separation between the "entities". All mined areas must be marked. Civilian groups will have to be disarmed and "non-local forces"—the mujahedin, about half of whom are Islamic extremists from outside Bosnia—

must have withdrawn. These are probably Nato's biggest concern. By then, I-For should have secured territory to be transferred.

Nato must ensure such areas are "cleared" of local troops by D plus 45—the beginning of February. Then, on D plus 90, around 18 March, the new owners will occupy the areas transferred.

Finally, on D plus 120, a month later, local forces must have been moved to holding areas. Any forces outside those areas must be demobilised, and the two "entities"—mini-states within Bosnia—must provide details on the strength and deployment of their forces.

## British enter Serb-held territory

EMMA DALY  
Krupa, Bosnia

The silhouetted shape of a field gun slung below a Royal Navy Sea King, camouflaged with tiger stripes painted over UN white, flying past the snowy mountains on a sunny winter's day in western Bosnia; the Bosnian Croat militia bowing to reality and allowing convoys to pass its checkpoints unchallenged; most of all, the sight of a Serb soldier handing a glass of home-made brandy to the crew of a Warrior.

A mood of optimism and determination, a sense that perhaps this war is ending, fired the start of "Operation Resolute", the British contribution to Nato's peace implementation mission in Bosnia, which began at 11am yesterday in Sarajevo with the transfer of authority from the UN to the Western Alliance. The Nato mission began amid confusion after fog blocked the arrival of the US Nato force commander, Admiral Leighton Smith. The ceremony was delayed for four hours leaving frustrated European officers complaining bitterly about a US desire to have a moment of glory.

Three hours after the Nato flag was raised, 140 troops from B Squadron Battlegroup, the Light Dragoons, crossed the front line at Brezica (renamed "Black Dog" by the British) and drove on to the village of Krupa, 13km south of Banja Luka, the Serb stronghold for so long a no-go area to Western forces. "Bit of a proud moment," said Trooper Paul Stewart, whose Scimitar armoured vehicle was first to cross the line. Mira Vucic waved from her balcony as the troops rolled in, then ran downstairs to chat. "I think everything is going to be all right," she said. "We've had enough of war. I hope our children will be able to play and grow up in freedom."

A neighbour, Srdjan Vidovic, inquired whether the British were allowed to drink: receiving an enthusiastic reply, he

returned with a plastic bottle filled with grape brandy and handed it around. "It should be peace, at last," he said.

His optimism—or desperate desire—was echoed by Serb soldiers at "Black Dog", who will share control of the checkpoint with the 1st Battalion, the Royal Fusiliers. "We feel good about the end of the war," said Peter, one of a group of young soldiers watching as the Fusiliers unravelled razor wire around the checkpoint.

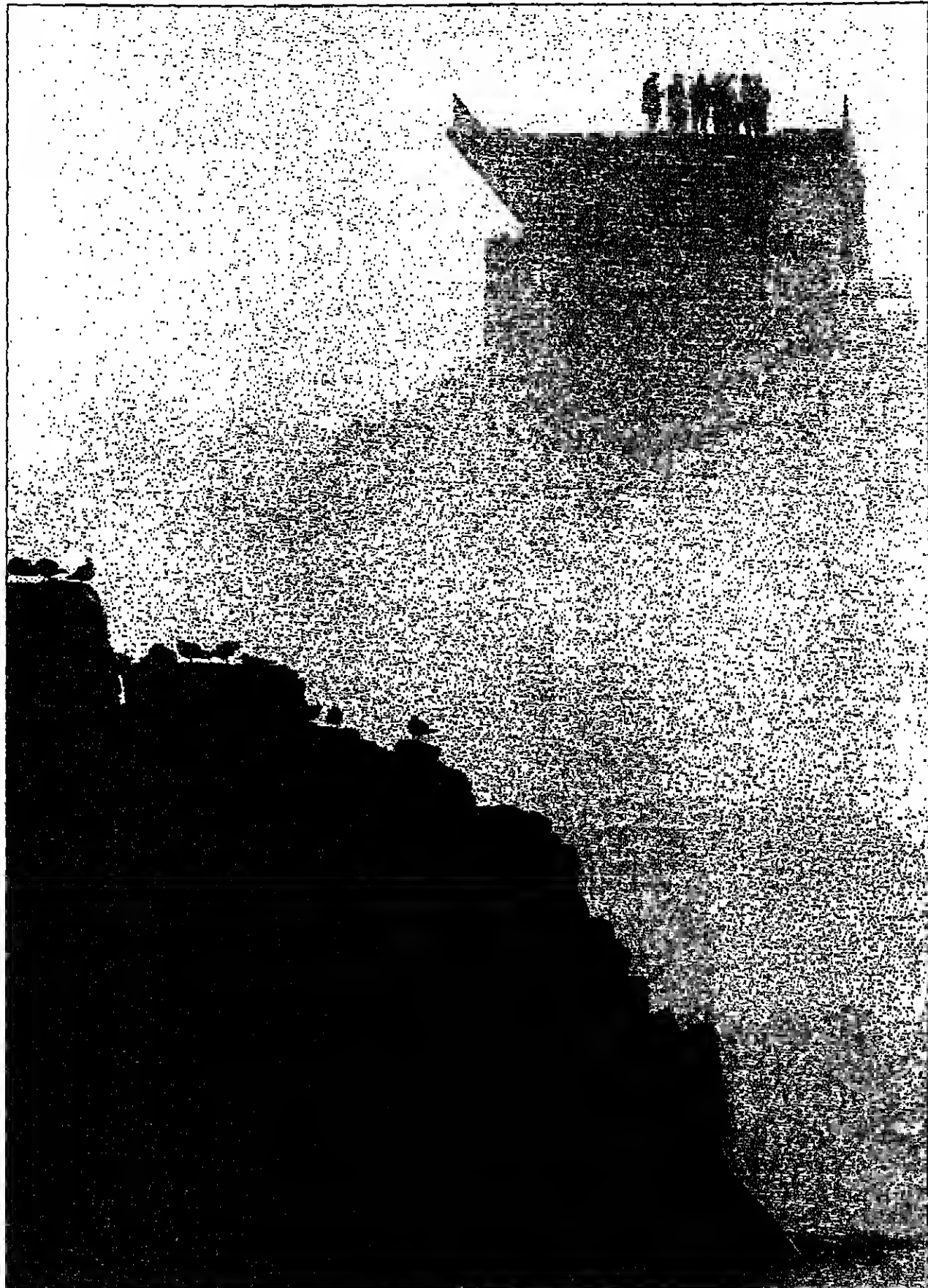
The Serb welcome was no surprise: one of the British tasks is to supervise the return of Mrkonjic Grad and Sipovo to Serb control. The British—unlike their lightly armed UN predecessors—are taking no chances: three 105mm light howitzers were flown by helicopter to a position close to the front-line, just in case.

Major-General Michael Jackson, commander of the British Nato sector (which will include Canadian and Pakistani troops), visited the new sites and praised the operation. "Everything is going extremely well," he said. "I very much hope there'll be no reason or need to use force at all."

The Light Dragoons were due to spend last night in Krupa patrolling the road, which winds through a steep gorge beside the River Vrbas, and making their presence felt before pushing further north. A T-72 tank still lurked behind a house in Krupa, but in a non-threatening manner, and the Serb soldiers moved mines from the road as requested by the British.

"Operation Resolute Rat"—as it is known here because the 4th Armoured Brigade claims descent from the Desert Rats—went even better than hoped, but the British know there are 364 days of potential problems ahead. "We have a clear mission, which is to bring to an end three years of wretched war to an end," General Jackson said.

He must hope the warring parties do not misinterpret the name of their mission: "rat" in Serbo-Croat means "war".



A bridge too far: A group of US soldiers from Tuzla air base inspect a destroyed bridge on the Bosnian side of the Sava River near Zupanja in north-eastern Croatia  
Photograph: Reuters

## Peacemaker balanced force with intellect

CHRISTOPHER BELLAMY

Lieutenant General Rupert Smith, the British general who has commanded the UN in Bosnia for the past year, yesterday left Sarajevo, his mission accomplished with distinction. From commanding 20,000 UN troops in Bosnia, he moves on to command 17,000 British troops in Northern Ireland. Peace had come to Bosnia, and it owed a lot more to Lt-Gen Smith than he would admit.

Lt-Gen Smith's philosophy in the Gulf and Bosnia was mirrored that of Clausewitz: "the maximum use of violence is in no way incompatible with the simultaneous use of the intellect." Unlike his predecessor in Bosnia, Sir Michael Rose, Lt-Gen Smith never went to university. He went from Sandhurst into the Parachute Regiment, known for its philosophy of violence and aggression, combined with cunning. But he approached his subject with rare "clarity of vision", one UN official told Reuters on Tuesday.

His account of the way his division attacked in the Gulf was terrifying in its focus. "I was wearing equipment, not equipment. Men were a liability—casualties waiting to happen." He used a First World War analogy: the enemy forces were to be broken up, becoming "easily digestible" for his armoured brigades.

Unlike Gen Rose, he never courted the media openly. In the Gulf and Bosnia he avoided going "on the record", but instead cultivated an understanding with the media, trusting them with knowledge equivalent to that of his junior officers. It was an approach that worked.

Lt-Gen Smith's clarity of vision probably owed much to his role in developing the British Army's intellectual approach to operations. He was instrumental in setting up the Higher Command and Staff Course, to teach potential generals how to fight big battles, an area where the British trailed behind the Americans and Russians.

When he arrived in Bosnia last January, Lt-Gen Smith realised that the UN's position, with lightly armed or unarmed forces scattered widely, was inconsistent with any attempt to be more robust. "He put the choice starkly: either withdraw peace-keepers or change the UN mandate... so force can be used to attain the mission's goals", the official said.

The UN special envoy, Yasushi Akashi, and the UN Commander in all former Yugoslavia, Gen Bernard Janvier, opposed some of his recommendations. In May, Nato launched small-scale air attacks on Bosnian Serb targets. The Serbs grabbed UN peace-keepers as hostages, in reprisal.



Smith: Clarity of vision

After the Bosnian Serbs overran the Muslim enclaves in Srebrenica and Zepa in July, Lt-Gen Smith got all the peace-keepers out of danger and prepared for the Serb "provocation". That came with the market massacre in Sarajevo in August after which the Serbs were "hammered", the UN official said.

Lt-Gen Smith could now move to "peace enforcement". The Nato air strikes that followed not only disabled Bosnian Serb air defences but crippled their command and control, destroying their advantage and swinging events in favour of the Croats and Muslims. The Bosnian Serb forces broke. In the end Lt-Gen Smith achieved peace, appropriately, through military victory.

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## War is over but the suffering goes on

As Christmas approaches, the Independent is asking readers to support four charities working to help child victims of the wars in former Yugoslavia. Though the fighting has ended and a peace deal has been signed, the suffering goes on. And the children of Bosnia have suffered particularly hard.

So far, the Independent appeal has raised more than £77,000 since it was launched in November and cash continues to pour in for each of the four charities.

Save the Children is focusing its efforts on children who have been separated from their families, counselling and reuniting them.

The Red Cross is running the largest humanitarian operation in the region, looking after refugee camps and linking relatives and friends through its



famous messaging network. War Child plans to build a £2.5m music therapy centre in Mostar, and to send urgently-needed prosthetics to wounded children in the Tuzla area.

Child Advocacy International aims to bring up to 100 sick children to Britain for treatment they could not obtain at home.

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## From Vietnam to Sarajevo

The officer now commanding the Nato implementation force (I-For) in land-bound Bosnia is an admiral and a navy pilot, Admiral Leighton Smith, United States Navy, will be moving to his base in Sarajevo from Naples, where he has been commanding Nato's forces in southern Europe since April 1994, writes Christopher Bellamy.

Nato says putting the admiral in Sarajevo makes sense because of the complexity of the terrain and the political sensitivity of the Bosnian capital.

But some sources said yesterday they felt the US wanted to have the commander in Sarajevo, which will be the focus of political and media attention, so that his subordinate, the British



Smith: Decorated navy flier

commander of the Nato Rapid Reaction Corps, did not get all the limelight.

The soft-spoken southerner from Alabama qualified as a navy pilot in January 1964 and

flew 280 combat missions over Vietnam. He holds two Distinguished Flying Crosses and other combat medals. He also spent a year with a strategic studies group at Newport, Rhode Island and from August 1989 to June 1991 he was director of operations for US European command at Stuttgart, Germany. He was also involved in running air operations from Turkey during the Gulf war and aid to the Kurds in northern Iraq.

Promoted to vice-admiral in June 1991, he then became commander of US Naval Forces Europe and Nato's commander-in-chief southern Europe. He was in overall command of Nato air strikes against the Bosnian Serbs in September.

## Briton takes over command

Lieutenant-General Sir Michael Walker, 51, took over yesterday as the general commanding international forces in Bosnia, writes Christopher Bellamy.

As commander of the Nato Rapid Reaction Corps (ARRC), he has in effect replaced the former UN commander, Lieutenant-General Rupert Smith, although he will report to US Admiral Leighton Smith, who will also be based in Sarajevo.



Walker: Three divisions

task. In Bosnia, General Walker's "Ark" has three divisions, each 20,000 strong, under his command, one US-led, one British, and one French. Each division is itself multinational: the British will include two

brigades, one British and one Canadian, for example. The ARRC headquarters comprises about 2,000 staff, mostly British, who will be based in Sarajevo.

General Walker was born in what was then Southern Rhodesia. He taught at a preparatory school for 18 months before attending Sandhurst. In 1966 he was commissioned into the Royal Anglian Regiment.

He has served as an infantry officer in Northern Ireland and Cyprus. He is a qualified pilot and wears the wings of the Army Air Corps, of which he is the Colonel Commandant. He has spent most of his career in Germany, but was Military Assistant to the Chief of the General Staff from 1982 to 1985.



# Walesa's red spy scare throws Poles into turmoil

ADRIAN BRIDGE  
Central Europe Correspondent

Not for the first time in his colourful career, Poland's outgoing President Lech Walesa yesterday threw the country into turmoil after claiming to have evidence of a "threat to state security" apparently in the form of the Prime Minister, Jozef Oleksy.

Mr Walesa, due to hand over power to a former Communist, Aleksander Kwasniewski, on Saturday, refused to spell out the nature of the allegations in detail. But unnamed sources cited by Polish media said they concerned long-standing contacts between Mr Oleksy and foreign espionage agents.

Mr Oleksy, himself a former Communist, described the allegations as a "dirty provocation", suggesting Mr Walesa was having difficulty accepting his defeat at the hands of Mr Kwasniewski in last month's presidential election.

the meeting with confidential documents which allegedly revealed the security threat and incriminated Mr Oleksy. Mr Milczanowski reported he had presented the documents to the senior military prosecutor.

With hard facts in short supply, the Polish media ran wild with rumour. Mr Oleksy was alleged to have had contacts with Soviet and Russian spies from 1983 until he took office earlier this year. Others suggested he had been guilty of laundering Communist Party money. Some reported the existence of videos showing him playing tennis with Soviet agents.

Mr Oleksy, who along with Mr Kwasniewski was not invited to the Tuesday meeting, called for an immediate session of the National Defence Committee to consider the evidence. He was sharply critical of Mr Walesa. "What has been done demonstrates that state security may be threatened - but by those who cannot leave their posts in a dignified fashion," Mr Oleksy said.

Mr Walesa's narrow defeat to Mr Kwasniewski last month means that, in addition to the government, Poland's former Communists will now control the presidency. But the outgoing President, who once led the Solidarity trade union that toppled Communism, has refused to take his defeat lying down.

Shortly after the election, in an attempt to have the result annulled, more than 500,000 supporters filed protests with the Supreme Court, complaining Mr Kwasniewski had lied about his academic qualifications during the campaign.

Mr Walesa has begun travelling the country to unite Poland's fractured right before parliamentary elections in 1997. For "moral and political" reasons, Mr Walesa will not attend Saturday's swearing-in ceremony of a man he describes as belonging to a "Red Spider Web", into which he believes the country is again falling.



Waltzing back in time: Anthony Hopkins, as Richard Nixon, and Joan Allen, as Pat, in a scene from Oliver Stone's new film Photograph: AP

# Nixon refuses to lay down and die

RUPERT CORNWELL  
Washington

He may not be the Christmas present most Americans would ask for. But, for the umpteenth time in a career now stretching beyond the grave, Richard Nixon is back. Turn which way you will this festive season: there is no escaping the disgraced, reviled, but endlessly fascinating 37th President.

In no particular order, he is 1) protagonist of a new Oliver Stone epic that promises to be both box office smash and likely Academy Awards nominee; 2) co-star of a praised made-for-TV film *Kissinger* and *Nixon* dealing with the wind-down of the Vietnam War; 3) the brooding presence behind 50,000 pages of papers from the Nixon White House, newly released by

the National Archives; and 4) a ghost increasingly summoned by his Republican party in the Whitewater probe. 1995's convoluted initiation of the Watergate scandal that brought down Nixon 20 years ago.

Yesterday, with the opening of Mr Stone's film *Nixon*, it was the big screen Tricky Dick who was making the headlines - and Anthony Hopkins' remarkable portrayal of him.

Astonishingly, the treatment of Nixon by a director whose obsession with dark and far-fetched plots produced the nonsensical *JFK*, is almost evasive. No plotter was darker than Richard Nixon. Yet so turbulent, extraordinary was his history that Mr Stone has been reduced to a relative respect for the facts and something akin to sympathy.

Of course there are embellishments. Having let conspiracy theory run riot in *JFK*, he cannot resist bringing Nixon on the alleged plan to assassinate Fidel Castro, which then metamorphoses into the pre-sumed plot to kill Kennedy. Images of the president as a pill-swallowing, whisky-swilling neurotic as well as wrenching scenes from the Nixon marriage owe more to Mr Stone's imagination than any record.

Not surprisingly the Nixon family has already condemned the film as "erroneous and malicious, character assassination," with his daughters Tricia and Julie accusing Mr Stone of deliberately waiting until their parents were dead to produce a picture of the Nixon's private life "calculated solely to defame and degrade".

The staunchest defenders of cinematic licence will concede that Mr Hopkins doesn't look like Nixon, and flunk the trademark rasping baritone voice. But the real Nixon is stunningly conveyed: Nixon the far-seeing statesman, Nixon the ruthless politician, the Nixon of few physical graces, cold and distant, fraught with insecurity and paranoia and obsessed by the Kennedy's.

But if Nixon is a figure of the past, cross-references to the present are never far away. The documents from the National Archives, for instance, show Bob Dole, then Republican party chairman, asking Mr Nixon for favours and assuring him in early 1973 that outside Washington, Watergate was no big deal. Today, of course, Mr Dole is running to take Mr

Nixon's old job next year.

And then there's Whitewater. Once again the White House is stonewalling congressional demands for confidential material which could throw light on a scandal. This time a Democratic president invokes executive privilege in a battle which may, like the Watergate tapes, only be settled in court. "Imagine Mr Nixon trying to tell the Congress we're not going to hand them over," fulminates one Senator who seeks the notes in question. "It's wrong in Watergate. It's wrong in Whitewater."

The Nixon boom is not over. More films will be mined from the rich seams of his character, while only 63 hours of the 3,700 hours of his secret Oval Office tapes have been released, and only a fraction of the Nixon administration documents.

# Judges tie families together for Xmas

DAVID USBORNE  
New York

Christmas may be a time for parents to get closer to their teenage and perhaps rebellious children, but for two families in the United States the sentiment has been taken a bit far. By order of the courts, the parents have been literally chained to their offspring for the holiday season.

With American voters demanding ever-more draconian punishment for criminals, chain-gangs have already been re-introduced in several states for prison inmates. Now judges are applying the principle to teenage offenders, ordering them shackled to their parents at home.

The pioneer of this novel form of punishment, apparently designed to hurt the parents as much as the children, is Judge Wayne Creech, of Charleston, South Carolina. Last week, he required that 15-year-old Tonya Kline, charged with burglary, truancy and theft, be shackled to her mother, Deborah Harter, for a month pending trial next month.

Tonya must wear a prison-issue belt fitted with a two-foot chain attached likewise to Mrs Harter. The two sleep next to each other on a sofa-bed in their living room. Whenever Tonya leaves the house - even to attend school - mother goes too. Tonya is only let loose to visit the lavatory and take a shower, but then only in a bathroom without windows.

Mrs Harter, who faces 30 days in jail if she lets go of her daughter, found the ruling a bit surprising. "When he told the fella to get the shackles, I was kind of shocked," she said. This week, the judge relented slightly, ruling that Tonya's step-father can share in the shackling duty.

Now a judge, in the North Carolina town of Roxboro, has ruled that two teenagers accused of setting fire to a supermarket be shackled to their parents pending their return to court on 8 January.

Tonya does not seem too disturbed. "It's not as bad as it seems," she said. "It's taught me a lesson. It's already straightened me out."

# Paris mends fences with Algiers

MARY DEJEVSKY  
Paris

The chairman of the French parliament, Philippe Séguin, paid a flying visit to Algiers yesterday at the behest of President Jacques Chirac in a dramatic bid by France to end the two month stand-off in relations with Algeria.

The visit, kept secret until Mr Séguin's plane had landed safely in Algiers in mid-morning, was the first official contact between France and Algeria since Liamine Zeroul's convincing victory in the 16 November presidential election.

While the Elysée insisted throughout the day that the visit was a standard parliamentary visit made at the invitation of Mr Séguin's Algerian counter-

part, it was clear that it was far from routine. Within an hour of arrival, Mr Séguin was taken to meet Mr Zeroul, confirming afterwards that he had conveyed a message from President Chirac.

In a clear sign of the visit's sensitivity, the Elysée denied that Mr Séguin was the bearer of any "official" message. "If the visit is a prelude to an improvement in French-Algerian relations that would be a good thing, but it is mainly a parliamentary visit of which the president has been informed."

Mr Séguin gave no details either of the contents of any message or of the substance of his meeting with Mr Zeroul. He stressed, however, that the two countries should "talk to each other, listen to each other

and co-operate". On his return to Paris in the early evening, Mr Séguin - believed to be carrying a return message from Mr Zeroul - was taken straight to Mr Chirac.

Until yesterday France had had no official contact with Algeria since October, aside from an exchange of formal congratulations after Mr Zeroul's election victory. French officials were believed to have been taken aback less by Mr Zeroul's victory than by the size of the turnout, which gave the election an unanticipated legitimacy. The turn-out was achieved despite terrorist threats by Islamic fundamentalist groups which boycotted the election.

On 22 October, the difficult relationship between France

and Algeria had erupted into open conflict after a planned meeting between Mr Chirac and Mr Zeroul during the UN General Assembly in New York was called off at the last moment.

Mr Chirac had agreed to the meeting - Algeria claimed that it had been fixed at France's request - in the face of strong opposition in France, where some saw it as indicating French support for Mr Zeroul (and therefore interfering in the election).

The cancellation - because, according to Mr Chirac, Mr Zeroul had insisted on the presence of television cameras at what was agreed as a strictly private occasion - was taken amiss by the Algerians, who accused France of "interfering in Algeria's internal affairs".

# Defiant Yeltsin says election gives 'no reason for concern'

PHIL REEVES  
Moscow

As smoke cleared from the vast battleground of the Russian parliamentary election and cries of foul sounded from several of the losing camps, Boris Yeltsin yesterday spoke publicly for the first time about the results, insisting that he would not change the course of reforms.

"We have no reason for concern or to regard the election as a tragedy," the President said at the sanatorium outside Moscow where he is both recovering from a heart attack and overseeing one of the less pleasant pills he has had to swallow of late - the Communists' impressive victory.

"I'm sure that the majority of Russians don't stand for Communism," Mr Yeltsin said, adding that he could work with the new Communist-dominated legislature: "in other countries where there are large Communist groups in parliament they find ways of interaction and normal democratic development".

But, although the election was not an outright disaster for the Yeltsin government, the strong support for the Communists and - to a lesser extent - the ultra-nationalist Liberal



In the firing line: the Defence Minister, Pavel Grachev, (left) and the Foreign Minister, Andrei Kozyrev

Democratic Party, was a reminder of the scale of resentment over Russia's reforms.

It also included some sobering details for the Kremlin - the surprising performance, for example, of the hardline Soviet-style communist group, Working Russia, headed by Viktor Anpilov, which was running at 4.6 per cent yesterday, less than 0.5 per cent below the minimum needed to qualify for seats in the State Duma, or lower house.

Mr Yeltsin has much to do if he, or his chosen successor, is to revive his fortunes in time for the presidential election in June, so - despite his attempts at a brave face - he will have to

act. This will probably involve sacking some of his team and bringing in newcomers more in tune with his ill-tempered electorate, although he will have difficulty recruiting Communists.

The unpopular Foreign Minister, Andrei Kozyrev, is expected to depart soon. Under new management, Russia's foreign ministry can be expected to continue its drift in an anti-Western direction (at least, in public). Other changes - including the possible firing of the Defence Minister, Pavel Grachev - are expected in the new year, probably in February, when Mr Yeltsin is due to announce whether he will run for a second term.

While international observers have proclaimed the election as broadly fair, several candidates allege fraud. Retired General Alexander Lebed, whose nationalist Congress of Russian Communities fared unexpectedly badly (4.1 per cent), said there had been "terrible trickery", which he would investigate.

The general is a possible candidate for the presidential race, a bid which may prompt him to dump his party (and with it, his fractious colleague, Yuri Skokov) and set up a new one. Similar complaints came from the former Vice-President, Alexander Rutskoi, whose Derzhava group also slumped. Although such complaints smack of sour grapes, they gained credibility from the fact that the count was, astonishingly, still grinding on yesterday. Russians have also not forgotten the whiff of skulduggery that surrounded the 1993 referendum on the constitution.

But those in search of evidence of glaring fraud need only look as far as Chechnya, where Russian troops yesterday launched fresh heavy attacks on Gudermes, seized last week by rebels. Election officials have proclaimed the Moscow-backed leader, Doku Zavgayev, as the overwhelming victor.

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# The Arafat trail has many turnings

The deal on the West Bank has left unfinished business, says Robert Fisk

Kiryat Arba — The new road for Jewish settlers runs like a black thread over the hills between Hebron and Jerusalem, new tarmac that glistened in the cold rain. But Naim of Gaza, for that is how he identified himself, not wanting to grace Israeli occupation with his family name, was not worried. "The road is for the settlers of Kiryat Arba but Arafat says it's only for five years," he said, his Israeli employer standing beside him, listening intently to our conversation. "Mr Arafat says this is only for a transitional period. Of course I trust him."

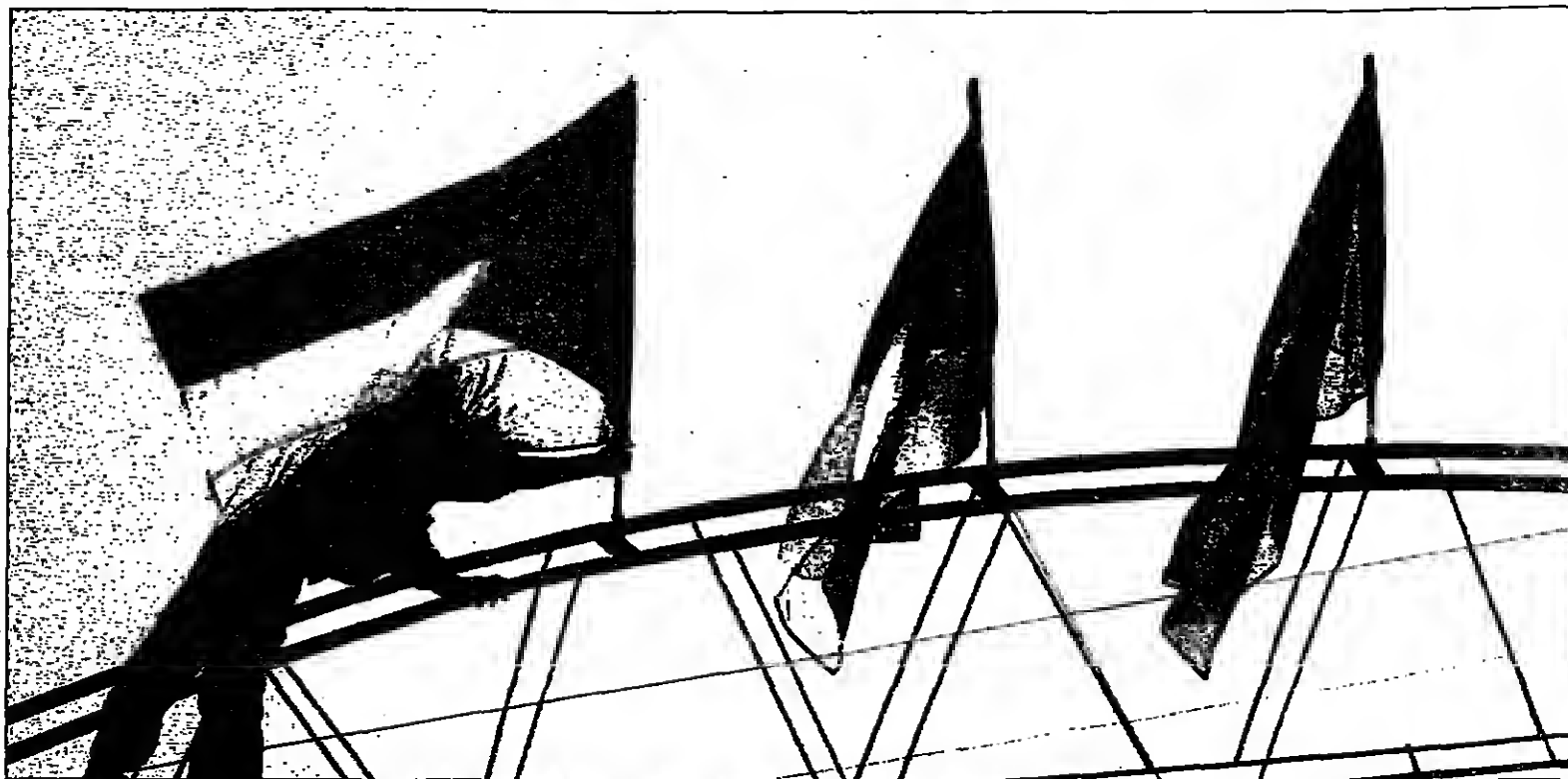
But look, we said, look at the road, constructed on crushed stone, three inches of tarmac with new safety barriers and elegant road signs in Hebrew. This must cost millions; anyone who believes this is built for only five years must be financially insane or a liar. Here is a new highway linking the settlers of Kiryat Arba outside Hebron to the "eternal and unified capital of Israel" that will last 20 years or more. Naim of Gaza smiled. He trusted Mr Arafat, he said. And his Israeli employer, huddling in his rain cape, nodded his agreement.

Well, maybe Naim of Gaza is right. After all, only half an hour earlier two Israeli taxi-drivers outside the King David Hotel in Israeli Jerusalem had pointedly refused to drive me to Arab East Jerusalem. So much, I thought at the time, for the "eternal and unified" capital of Israel. But those "settler roads" — to allow settlers on confiscated Arab land to drive to Jerusalem

without contact with Palestinians — are snaking across the landscape of Yasser Arafat's "Palestine", bisecting and trisecting his land like a salami. Built, of course, by Palestinians such as Naim of Gaza.

And in the harder towns, such as Hebron, the reality of these roads that chop the West Bank into pieces means more than the honeyed words of Western diplomats and satellite television reporters. "We will have only cantons," Abdul-Haj, a grocer of Hebron complained to me an hour later. "Arafat will be the *mukhtar* of the cantons. You have to understand that he is not going to help us. He only seeks power and for this he will work for the Israelis. I remember what Golda Meir said to Sadat when he visited Jerusalem. She said that the government of any state should work for its people. And this is our problem because our Arab leaders don't work for their people — only for power. The Israelis work for their people. This is why the Israelis are strong and we are weak; which is why we must go back to Islam."

Across the windy hill behind Kiryat Arba, immensely tall, 22 years old, a Jewish student at Shiloh waiting for an Eged bus, was more ambiguous, armed with the arguments that Arab guerrilla leaders used to deploy in front of Western journalists 15 years ago. "I think what Rabin did was wrong — but it was wrong that he should be killed. Because it is wrong for any man to take the life of any other man."



Flag day: Palestinian banners are hoisted over Manger Square, Bethlehem, angering some Christians

Photograph: Jerome Delay/AP

I do not believe in this peace process. I will only leave here in one way: in a coffin. I believe in the Bible. This land was given to us."

Like a tape cassette, David moved through the Biblical quotations. His parents had moved from Morocco to Kiryat Arba, believing that God had given Judea and Samaria to the Jews. He captured the very spirit of the old men of the Palestinian revolution whom I used to meet in Beirut in the late 1970s: commitment without

imagination. Perhaps all fundamentalism should be defined in this way, the integrity of their quarrel undefiled by doubt. But then up walked Eilan of Eilat — and the anonymity of all family names in this report are at the specific request of their Arab and Jewish owners — who was an Arabic-speaking Israeli soldier of 20 on joint-Israeli-Palestinian patrols in the West Bank. "Whatever they tell you," he said — and here he nodded in David's direction — "we have no

business in Bethlehem or Tulkerem or Shkheim (Nablus). We should be out of there. It's not our land."

But what about the settlers themselves, I asked? Was it their land? Many smiles here, but few words. "Look, I can't talk politics, just to say that we should give back their towns." And East Jerusalem? "Never." Eilan replied, all of which suggested that Abdul-Haj and his predictions of "cantons" was too close to the mark.

In Bethlehem, on the eve of its "liberation" from Israeli troops, the Palestinians preferred to avoid the subject of Jerusalem. "It should be an international city," the tour guide insisted — no identity here, not even a Christian name — and the religious sites must be controlled by Christians, Muslims and Jews. "I had heard this argument a thousand times. But the declaration of principles, the final status negotiations on Jerusalem — what was to become of them, I asked? And the guide, a thin, raincoated figure

## Murder video grips Israelis

PATRICK COCKBURN  
Jerusalem

In the Prime Minister's office it was difficult to find a chair to sit on. In the streets of Jerusalem cars disappeared and shops shut. Some 83 per cent of Israelis watching television on Tuesday night saw the videotape of the murder of Yitzhak Rabin, filmed by Roni Kempler from the roof of a shop overlooking the site of the assassination.

Shimon Peres, the new Prime Minister, was reported to have watched himself pass within feet of the assassin with "eyes glued to the screen". At one point he turned to Rabin's driver, Menahem Damti, and said he and Rabin had almost got into the car when Amir struck. "That's right," Mr Damti replied. "We almost managed to get in. It was a few seconds between life and death."

Six weeks after the assassination, the eight-minute video, the only pictures of the event, has revived the sense of shock. Yediot Aharanot, publishing Mr Kempler's pictures, said: "The national wound is open and bleeding. It will not heal. Not for months, not for years, not for a generation." The ease with which Yigal Amir was able to penetrate the security men around Rabin has also redoubled criticism of the Shin Bet internal security agency.

Rabin left the rally with four bodyguards, but two of them left him as he approached his car. According to testimony given to the Shamgar commission, which is investigating the assassination, one was engaged in moving equipment belonging to Avi Gelfand, a singer who performed at the rally. A second was trying to keep back the crowds because the police had not put up enough barriers.

Had all four bodyguards stayed at their posts, Amir still might have got through. The area where the killing took place, behind Tel Aviv town hall, is only a side street which was cordoned off. Only a much heavier detachment of guards could have stopped Amir, who had no thought of escape and was prepared to die in order to assassinate Rabin.

# ANC supporters die as political violence continues

ROBERT BLOCH  
Johannesburg

Guns have shot and burned to death nine people in KwaZulu-Natal — the second time in less than a week that entire families have been slaughtered in political violence in South Africa's most troubled province.

While the rest of the country is obsessed with the ravages of a crime explosion, KwaZulu-Natal is caught in a bloody cycle of political violence pitting Nelson Mandela's African Na-

tional Congress (ANC) against its rivals in the mainly Zulu Inkatha Freedom Party (IFP) of Chief Mangosuthu Buthe. Tuesday night's killings took place in the Mythusini area on the KwaZulu-Natal south coast. Guns were first fired at the home of an 80-year-old woman, shooting her dead. They then moved to a nearby village and set a hut on fire. One of the victims, a woman, was shot. The rest inside, four of them children, died in the blaze.

"The motive appears to be

political because the nine victims were ANC followers and this attack is linked to the Inkatha and IFP conflict in this area which has been going on for a long time," Superintendent Herman Fourie, a local police spokesman, said.

Both the ANC and Inkatha condemned the killings and said the attacks were the work of those who opposed peace.

However, the ANC spokesman in the area where the attacks occurred pointed a finger at Inkatha. "The indications

are the attackers were from the IFP," Ravi Pillay said. But he conceded that the attackers could have been third-party provocateurs.

An IFP member of parliament, Velaphi Ndlovu, said that he believed there was a "third group" fanning violence in the south coast area, killing ANC and IFP members in the hope of sparking a wider conflict.

The south coast was the scene of two gruesome attacks on two families last Friday. In all gunmen killed 10 people, in-

cluding a baby. This time the victims were all IFP supporters.

Those killings came just hours after President Mandela and Chief Buthe met in Durban and announced that they would soon launch an initiative to end the violence in KwaZulu-Natal.

"Violence in this province is of such a magnitude that it is a matter of concern to [Buthe] and myself," the President said on Friday. "It is our duty to ensure we work together to put an end to violence," he added.

Human rights monitors have said that violence in the province has actually been decreasing recently. The Independent Human Rights Commission said that 37 people died in political violence in November, the lowest monthly figure for five years.

Other observers do not place too much faith in those figures, saying that outstanding political differences between the ANC and the IFP ensure that the province will remain a tinderbox. Local elections in March are likely to intensify the killings.

According to Steven Friedman, the director of the Centre for Policy Studies, an examination of last year's election results shows that polls in KwaZulu-Natal have nothing to do with voter choice. "They are about territory."

"The province's recent history shows that control of territory is usually achieved by force. So if the parties fight a vigorous election campaign, they are unlikely to rely on posters and door-to-door canvassing alone," he said.

## IN BRIEF

**Belgian police and airline strikers clash**  
Brussels — Striking workers at the Belgian national airline Sabena clashed with police yesterday at Brussels airport, adding to the chaos facing passengers after the carrier cancelled flights for the second day in a row.

A crowd of up to 2,000 protesters threw stones and eggs as police barred them from entering the building. Police later turned water cannons on the demonstrators, who descended on the airport tarmac, before rounding them up. *Reuters*

**Crash data impaired**  
Moscow — The flight recorder of a plane that crashed on 6 December in Russia's far east with 97 people on board is so badly damaged its data cannot for the moment be deciphered. The Khabarovsk Airlines plane went missing on a flight from Sakhalin island. *Reuters*

**Corruption inquiry**  
Paris — An investigating magistrate ordered Martin Bouygues, the chairman of the French construction giant Bouygues, held in custody for a further 24 hours yesterday in an inquiry into alleged illegal political pay-offs. *Reuters*

**Governor dies**  
Georgetown, Barbados — Nita Barrow, 79, Barbados' first female governor general, died on Tuesday after collapsing at a party. Dame Nita was appointed governor general in 1990. *AP*

**Border controls stay**  
Ostend — France announced yesterday it would maintain border controls on its six European partners in the Schengen zone for an indefinite period. *Reuters*

**Eta suspects jailed**  
Paris — A court sentenced 70 suspected members of the Spanish Basque separatist group Eta to jail terms after a mass trial. Ten were acquitted at the trial. *Reuters*

**Di Pietro in trouble**  
Milan — A court in Brescia, northern Italy, has been asked to indict Antonio Di Pietro, the magistrate who led the country's anti-corruption drive. The anti-corruption drive has been charged against him as extortion and abuse of office. *Reuters*

## Prince has Gigi from Georgia on his mind

ELIZABETH NASH  
Madrid

The best-laid plans of the Queen of Spain to steer her only son away from an unsuitable match with a commoner and into the arms of a royal lady seem to have gone awry. The heir to the throne, Prince Felipe, packed off across the Atlantic to forget his first *gran amor*, has fallen heavily for a middle-class American student from a small town in Georgia.

The mainstream Spanish press is full of reports that the prince, 27, described in gossip magazines as one of the world's sexiest men, is serious about Giselle (Gigi) Howard and pops over to New York at every opportunity to see her. The prince met Gigi a year ago while he was studying for his master's degree at Georgetown University where he graduated in July.

Gigi, 24, is the youngest of three daughters of a telephone company supervisor — described by *Time* magazine as a "typical bourgeois American family". They were introduced by the Prince's cousin, Paul of Greece, whose millionaire wife, Marie Chantal Miller, works for the same children's charity as Ms Howard.

Ms Howard hit the



Love-love: Isabel Sartorius, an intelligent commoner was deemed unsuitable for Prince Felipe Photograph: Rex

headlines in June when a paparazzo, Carlos Arriaza, was caught trying to bug her telephone but it turned out he was trying to bug her wrong flat. He was, however, on the right track. Months before, the prince said he would not spend Easter with his family in Majorca as usual, but would stay in Washington swotting for his finals. Instead, he flew with Gigi for a weekend to the Caribbean island of St Martin, signing in as Mr Borbon. Arriaza snatched more than 1,000 photos. *Time* says. The prince visited New York again last month, where the couple made no effort to conceal their

friendship. Meanwhile, *Epoca* magazine hints that the prince's first love, Isabel Sartorius, could be back in the frame. After months of recalcitrance, she returned to the spotlight this week when her path crossed the prince's in Madrid. Queen Sofia disapproved of that relationship and is thought to have packed the prince off to Washington to put an end to it, to the sorrow of the Spanish public. As a commoner, albeit beautiful, intelligent and of noble birth, and the niece of a leading Communist, Isabel was deemed unsuitable. A string of princesses has been trailed across the

## Lenient measures for Nigeria

Commonwealth ministers yesterday agreed a softly-softly statement on Nigeria, intending to nudge the regime towards democracy, writes Steve Crawshaw. Theoretically, the agreed statement was to be an iron fist in a velvet glove. But the velvet was more obvious.

A special "action group" of eight Commonwealth foreign ministers, meeting in London, spelled out the terms of Nigeria's suspension from the Commonwealth last month, and announced possible future measures to be taken against the military regime.

Britain was "quite content" with the statement, officials said. "Everything now depends

on the Nigerians. They must show that they are serious about moving towards democracy."

The group agreed that five ministers should visit Nigeria, perhaps next month, "to pursue dialogue with the Nigerian government at the highest level". The group is due to meet again in April "to review progress".

Options still on the table, and listed in the statement, include freezing the assets of Nigerian leaders and their families; action to prevent new investment; and "partial trade embargoes, for instance oil sanctions".

Nigeria was suspended from the Commonwealth last month, one day after the execution of the writer Ken Saro-Wiwa and eight others. But there is little enthusiasm for following that action, even though Nigeria has shown little desire to change. An opposition protest in Lagos this week was banned, and dispersed by riot police with tear gas.

## Multimedia Time Machines 95

The new enhanced multimedia Time Machine 95 systems now all come with support for 15" and 17" SVGA Hi colour screens and are available on Intel Pentium 386, 486, and Pentium processors. All systems are available on Intel Pentium 386, 486, and Pentium processors. All systems are available on Intel Pentium 386, 486, and Pentium processors.

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## obituaries / gazette

Viscount  
Watkinson

Harold Watkinson was trained as an engineer and, applying a mind which was rigorous and well-defined, entered parliamentary politics in the general election of 1950 as Conservative MP for Woking. He was, already, a highly successful businessman and, like many before and after him (the late John Goldsmith spring to mind), he believed that businessmen could handle government far more efficiently and effectively than could politicians. He found out, however, that politics was an art of its own, and that the methods of man management that he had evolved for himself in business were ineffective when applied to the emotional, and often tortuous, handling of political affairs.

Although a highly competent manager, Watkinson never developed the sheer skill and sure-footedness manifested by his main patron, Harold Macmillan. The peak of his political career (and the metaphor is apt, for he was an enthusiastic mountaineer) was attained when Macmillan made him Minister of Defence in 1959; he held the post until 1962, when the Prime Minister decided that Watkinson-style management was not to his liking. Watkinson left politics for ever in 1964. For years, however, he continued to write about military matters, most often in letters to the *Times*.

Watkinson was born in 1910 and educated at Queen's College, Taunton, and King's College, London, where he read Engineering. Before the outbreak of the Second World War he had been courting a beautiful young lady, Vera Langmead. Once war began he - already a keen sailor - signed up with the Royal Naval Volunteer Reserve; but he also suggested to Miss Langmead that they get married promptly - "because", he said later, "I could not work out how long the war would last, nor whether I would survive it. Therefore, I concluded that we should get some marital bliss in first." Many young men then married thus in haste, and repented later. Watkinson did not have to repent; he married his Vera in November 1939.

He became Tory candidate

for Woking, and won the seat in the 1950 general election, which election marked the dying fall of the Aneurin Bevan first elected in 1945. It was, however, more than a year before Churchill resumed office. In 1951 Watkinson became Parliamentary Private Secretary to the Minister of Transport and Civil Aviation. After a stint at the Ministry of Labour, he returned to his old department as its head, in 1955.

As he rose through relatively junior ranks Watkinson earned a well-deserved reputa-



Watkinson: man management

tion as a superbly competent manager. In 1959, therefore, Macmillan made him Minister for Defence. This was a somewhat anomalous job, created for himself by Churchill in 1940, in order to take power from the three Service ministers. But it was, until 1959, a job really only made for such a man as Churchill. It was not made for a non-political politician.

Macmillan, moreover - who had served briefly, as Minister of Defence himself - had a particular dream for the department. It was, essentially, to reduce the power and the status of individual Service ministers, and to make the senior minister the senior man. Watkinson, he thought, was the ideal individual to bring about such a revolution.

Two difficulties presented themselves. Charm was needed to persuade the Service chiefs to agree to re-organisation; Watkinson did not have the necessary charm. And, then, Watkinson's ideas of management were very different from those of the Prime Minister. Watkinson thought that the best way

of proceeding was to find the soldiers, sailors and airmen best suited, technically, to their jobs, and to let them get on with things. Macmillan's idea was to impose a visionary concept of a united service organisation on the suspicious and often capricious individual forces. By 1962 he concluded that Watkinson was not the man for the job. Instead, he employed Duncan Sandys, with his fearsome reputation as a hatchet man, and then Peter Thorneycroft, who was equally ferocious. The First Sea Lord, Earl Mountbatten of Burma, was employed to do the charming. Macmillan had no illusions about this. "Poor Dickie," he wrote, "talks all the time and has (with all his charm) a very limited mental capacity."

Watkinson was rewarded (this was Macmillan's own way of man management) with a Companionship of Honour, and a peerage. He was never fully consoled, but he made for himself a glittering and lucrative career in the business world becoming, among many other things, managing director of Schweppes, executive chairman of Cadbury Schweppes, and a director of the Midland Bank.

He also found time for a host of good causes, for his remarkable energy sustained him until nearly the end of his life. He was a bluff man, who did not suffer fools. But he was out of place in a political world which was coming ever more to rely on a style which he did not possess, rather than a substance which he undoubtedly did.

Patrick Cosgrave

Harold Arthur Watkinson, politician and businessman; born 25 January 1910; MP (Conservative) for Woking 1950-64; PPS to the Minister of Transport and Civil Aviation 1951-52; Parliamentary Secretary to Ministry of Labour and National Service 1952-55; PC 1955; Minister of Transport and Civil Aviation 1955-59; Minister of Defence 1959-62; CH 1962; group managing director, Schweppes Ltd 1963-68, chairman, Cadbury Schweppes Ltd 1969-74; created 1964 Viscount Watkinson; President, CBI 1976-77; Chairman, Council, BIM 1968-70; President 1973-78; married 1939 Vera Langmead (two daughters); died 19 December 1995.

## Ian Finlay

Ian Finlay, former Director of the Royal Scottish Museum in Edinburgh, was a well-known figure in the arts of Scotland. Under his charge the museum's collection of Scottish silver was significantly enhanced, and his book, *A History of Scottish Gold and Silver Work* (1956, revised in 1991) remains the standard text in this field.

Finlay's visionary approach inspired his staff. Many new developments germinated. Finlay began the continuing programme of building renewal at Chambers Street; he established the education section of the museum. Having inherited a fine new lecture theatre from his predecessor, he started a programme of public lectures unsurpassed in Britain. He staged a series of special exhibitions of lasting influence, many in association with the Edinburgh Festival. Of particular significance was the exhibition "Byzantine Art" (1958), brought together by David and Tamara Talbot Rice, which included many objects from behind the Iron Curtain shown in the West for the first time since the Second World War. These

exhibitions were beautifully arranged by the design section which he had inaugurated.

Finlay was born in Auckland in 1906, but was no antipodean - his parents returned with him to their native Scotland when he was six weeks old. After the Edinburgh Academy and Edinburgh University he joined the Royal Scottish Museum in 1932. During the war he was seconded to the Ministry of Information and was Deputy Regional Officer for Scotland from 1942 to 1944.

First met Finlay when I joined the staff of the Royal Scottish Museum in 1950. Young at heart, he was Assistant Keeper in charge of the silver collections, and silver was his lasting love. Among the important pieces acquired in his time I remember his delight when the museum's bid for the Lennoxville toilet service was successful. This famous French 17th-century set belonged to the Duchess of Richmond and Lennox. "La Belle Scourne", Finlay thought it perhaps the finest thing of its kind in existence.

Finlay served as Keeper of the Department of Art and

Ethnography from 1955 to 1961, when he was appointed to the directorship of the museum. He retired in 1971. But his concern for the arts was not confined to the museum. He was active in the Scottish Arts Council and the Edinburgh Festival Council. He cared greatly for the built environment and for eight taxing years was Secretary to the Royal Fine Art Commission for Scotland.

Ian Finlay made many BBC broadcast talks on art and other topics. His love of country shines through his many books on Scotland and its people.

Charles D. Waterston

William Ian Robertson Finlay, museum curator; born Auckland, New Zealand 2 December 1906; staff, Royal Scottish Museum 1932-71, Keeper of the Department of Art and Ethnography 1955-61, Director 1961-71; Secretary, Royal Fine Art Commission for Scotland 1953-61; CBE 1965; FRSA 1971; Professor of Antiquities to the Royal Scottish Museum 1971-85; married 1933 Mari Pringle (two sons, one daughter); died Edinburgh 10 December 1995.

Births,  
Marriages  
& Deaths

## BIRTHS

DURBIN: To Janette and Peter, a son, Edgar, brother for Henry, 18 December in London.

## DEATHS

OVERRELL: On 18 December, Cobble Montgomery, GBE KCMG CVO, aged 88. Dev died peacefully after eight years' devoted care, first at the Furness Hospital, Wallingford, later at West Oak, Wokingham. Much loved and loving husband of Mary, devoted father and grandfather. Buried at St Nicholas Church, Remenham, Henley-on-Thames, 2.30pm, Wednesday 3 January. Family flowers only. Donations: £1 donated to Alzheimer's Disease Society, 10 Grosvenor Place, London SW1P 1PH.

FLETCHER: Professor Charles, CBE FRCP, peacefully at home in London on 15 December, aged 84. Devoted husband of Linda, much-loved father and grandfather. Funeral service at Holy Trinity Church, Clapham Common, at 12 noon on Friday 22 December. Memorial service to be announced later. Family flowers only, but

donations may be sent to the British Diabetic Association, 10 Queen Anne Street, London W1M 0BD.

WAOINGTON: Marjorie, Edith (née Harding), wife of Eric James (deceased), mother of David and John, and grandmother of Matthew, Rupert and Jessica, peacefully in hospital on Sunday 17 December, after a long and valiant battle against the effects of a stroke, aged 90. Funeral service will be held at St Matthew's, Baywater, on Wednesday 10 January at 1pm. Family flowers only, but donations if so wished would be welcome for the Stroke Association, either directly, or c/o J.H. Kenyon, 83 Westbourne Grove, London W2 4UL.

For Gazette BIRTHS, MARRIAGES & DEATHS please telephone 0171-293 2011 or fax to 0171-293 2010.

## Lectures

National Gallery: Kathleen Adler, Christopher Brown, Neil MacGregor, "A Week Before Christmas (iv): Rembrandt, Veronese, Caravaggio", 19pm.

National Portrait Gallery: John Cooper, "NPG Christmas Quiz", 1.10pm.

British Museum: Delia Pemberton, "Tales of the Buddha", 1.15pm.

Christopher Bedingfield Evening Prayer will be sung in the Chapel of Gray's Inn, London WC1, on Tuesday 23 January 1996 at 5pm, in memory of Christopher Bedingfield TD QC. Tickets are not required.

## Birthdays

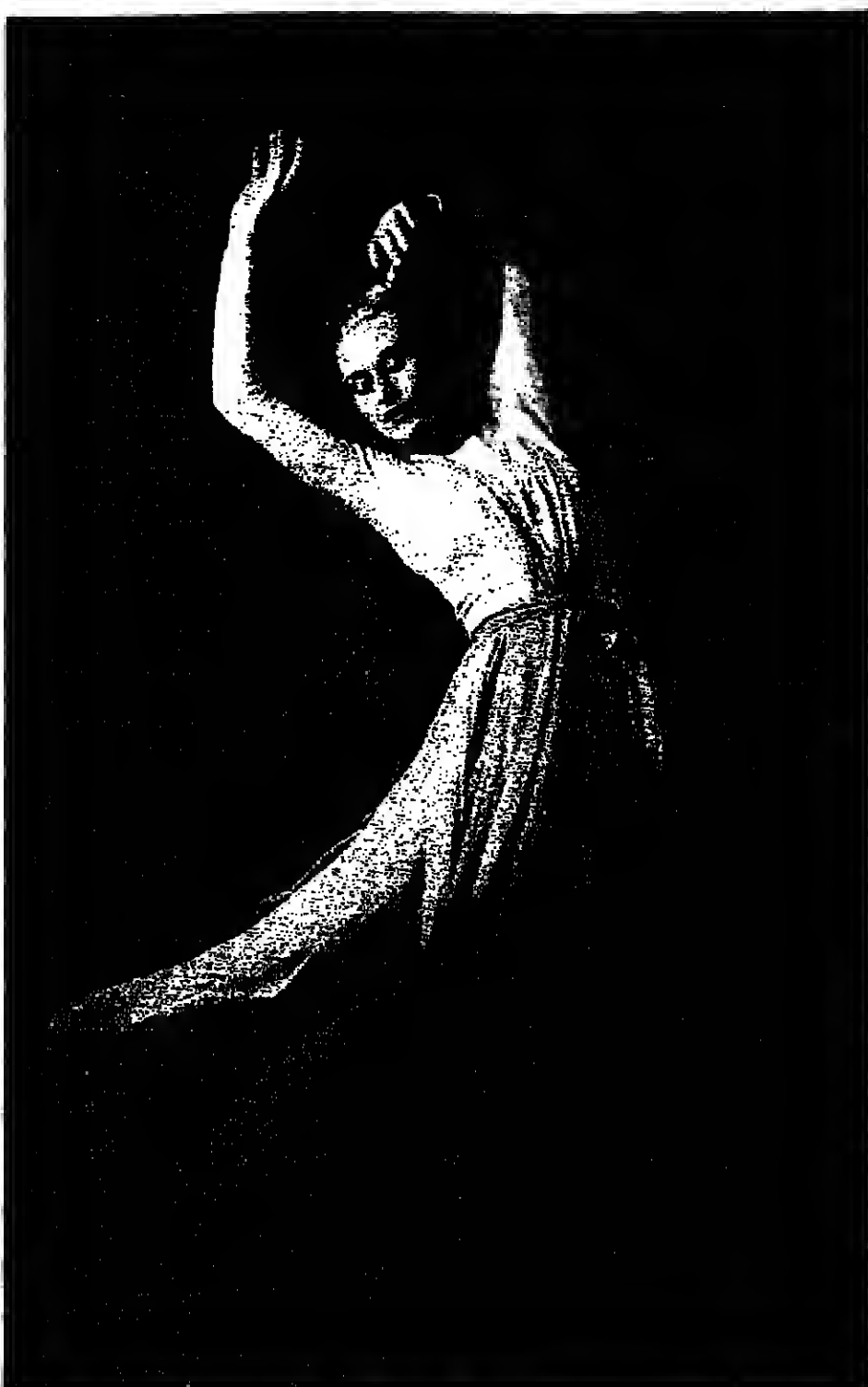
Mr Alexander Bennett, former chairman, Whitbread and Co, 82; Air Commandant Dame Jean Bromet, former Director, WRAF, 83; Mrs Chris Evert-Lloyd, tennis champion, 41; Miss Jane Fonda, actress, 58; Mr James Hill MP, 69; Mr Peter Johnson, Headmaster, Wrexham College, 48; Sir Frederick Lawton, former judge, 84; Mr Wyndham Milligan, former Principal, Wobey Hall, Oxford, 88; Sir John Nabarro, consultant physician, 80; Mr Steve Perryman, footballer, 44; Mr Anthony Powell, novelist, 90; Mr John Oxtley, actor, 57; Sir John Quinlan, chairman, George Wimpey, 66; Sir Li William Reid VC, 74; Brigadier Vera Rooke, former Director, Army Nursing Services, 71; Mr Walter Spanghero, rugby player, 52; Mr Michael Tilson Thomas, conductor, 51; Mr Peter Timmiswood, playwright, 59; Mr Cyril Townsend MP, 58; Mr James Tye, Director-General, British Sales, 47; Mr Doug Walters, cricketeer, 50; Mr Alan Williams, MP, 50.

## ROYAL ENGAGEMENTS

The Duke of Edinburgh, Patron, attends the British Association for Shooting and Conservation Game Conservation Trust Young Shot's Gun Shooting Competition at Sandhill Park, Shropshire Ground, Shropshire. The Duchess of Kent attends a screening of *The Wind in the Willows* at the Royal Festival Hall at the Royal Albert Hall, London W1.

## Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.



Dynamic: Verchinina dancing with the De Basil company in the 1930s

Photograph: Hulton Deutsch

## Nina Verchinina

Nina Verchinina enjoyed a long and varied career in Russian ballet and was particularly notable for the modernistic trend she contributed to the classical dance.

She made annual appearances with the De Basil Ballet Russe at the Royal Opera House, Covent Garden, throughout the Thirties, and may still be remembered by some for the fluid plasticity of her style. She was an inspiration to Léonide Massine who created specific roles for her in his symphonic ballets, *Les Présages* (Tchaikovsky, 1933), *Chorearium* (Brahms, 1933) and *Symphonic Fantastique* (Berlioz, 1936).

The *Times*'s critic Cyril Beaumont wrote: "Her arms were remarkable for the varying quality of movement. Sometimes they described beautiful curves, moving with a gentle rhythm like the ripple of a wave; sometimes they darted forward or backwards with the sudden swiftness of the flick of a whip. So dynamic were her movements that she seemed to radiate power."

Massine himself, writing about *Chorearium*, said: "To the second movement I compose a slow solemn dance for Verchinina, who gave a haunting performance as a restless brooding creature in threat to some sombre destiny."

Arnold Haskell, in the *Daily Telegraph* on 16 June 1936, exalted: "The triumph was Verchinina! Last night she not only gave the performance of her career but showed herself to stand alone as the symphonic dancer."

Verchinina was undoubtedly

the prototype of the new expressive classical dancer who combined modern influences in a freer style. But she was also gifted for character roles such as Chiriana in *Le Carnaval*, the street dancer in *Beau Danube*, and the snow maiden in *Le Soliel de Nuit* and other character works such as *Prince Igor*. Much in demand, Verchinina frequently left the De Basil company to pursue her career as a dancer and choreographer in San Francisco and South America. She possessed an innovative spirit and was ambitious to be more than just a dancer.

Nina Verchinina was born in Moscow in 1910 and spent her childhood in Shanghai, where she commenced ballet training. As a teenager she arrived in Paris to continue her studies with Olga Preobrazhenskaya and Bronislava Nijinska. It was to her great advantage that she took the unlikely course of studying the central European style of Rudolf von Laban which extended her range and gave her an individual quality of movement.

She made her first stage appearance with the Ida Rubenstein company in Paris in 1929. Three years later she joined the Ballets Russes de Monte Carlo and remained with that company throughout the Thirties in its various guises under the directorship at different times of René Blum, Léonide Massine and Colonel de Basil. During that decade she acquired international fame and married Count Leon de Baussey, who later was to contribute significantly to financing her own companies. During the Second

World War she established her reputation in Cuba and South America while still maintaining contact with de Basil.

Her life was always busy and roving. After the war she again returned to Europe, touring with de Basil. In 1949 she formed her own company to tour Spain, but South America had become the land of opportunity for her. In 1950 she was guest choreographer at the Teatro de la Plata, Buenos Aires. In 1952, as ballet mistress and choreographer, she created the Ballet Universidad de Cuyo at Mendoza, Argentina, producing such ballets as *Pastoral Symphony* (Handel), *Narcisse* (Ravel), *Rhapsody in Blue* (Gershwin) and *Salome* (Richard Strauss). Once more in Rio de Janeiro she undertook choreographies for the Casino Copacabana at the same time becoming guest choreographer to the Teatro Municipal.

During the following years she formed another company, Ballet Nina Verchinina, in Rio, making several tours of the South Americas. Periodically she returned to choreograph ballets for the Ballet Rio de Janeiro. Eventually settling in Copacabana, she organised her own studio and performing group which kept her occupied for the rest of her life. Like many dancers of her era she retained a sturdy physique and continued to work into old age.

John Gregory

Nina Verchinina, dancer, teacher and choreographer; born Moscow 1910; married Count Leon de Baussey; died Copacabana, Brazil 16 December 1995.

## Konrad Zuse

If Germany had been a victor in the Second World War, then today Konrad Zuse would probably be recognised world-wide as the father of the computer.

In 1941 he completed the Z1, the world's first fully operational automatic digital computer; a mechanical device of limited capacity and speed. Zuse then developed an electric model based on telephone relay technology, and planned a much faster machine to be built with electronic tubes. This had only reached the stage of a small prototype when, in 1942, the project was axed by the German Army Command. As one historian later wrote, Zuse "cracked open the door to an awesome and strange new world, but that door slammed shut before he could pass through".

Zuse was born in 1910 in Berlin, the son of a post office official. As a boy he was gifted in both the arts and sciences: an accomplished artist and an enthusiastic amateur actor, he also delighted in constructing sets and decided to make his living as an engineer. In 1927 he enrolled at the Technical University of Berlin-Charlottenburg, where he studied civil engineering. On graduating in 1935 he became a stress analyst for the Henschel Aircraft Company, where he worked on problems of aircraft vibration. Stress analysis involved formidable calculations, which could then only be performed with great difficulty using teams of human "computers" equipped with desk calculating machines.

Zuse was seduced by the calculating problem. Working in his own time in the evenings and at weekends, he began to design and build a mechanical computer in the living room of his parents' house. He called the computer the "V1" for Versuchsmaschine 1 - Experimental Model 1. (After the war he renamed his machines Z1, Z2 etc, to avoid confusion with Werner von Braun's flying bombs.) As a computer builder, Zuse worked as an amateur, completely outside the mathematical community, although he obtained some financial assistance from a local calculating machine manufacturer. He also persuaded a former university classmate, Helmut Schreyer, to work with him.

When it was completed in 1938 the Z1 was too small and crude for realistic calculations, so plans were laid for a full-scale machine. In 1939 war broke out, however, and Zuse was drafted into the infantry to serve in the front line. It took months of

puter. A second machine, the Z4, was quickly commissioned. Up to this time, Zuse's machines had been based on relay technology, which limited computing speeds to a few arithmetic operations a second. Schreyer proposed that their next machine should be based on electronic tubes, which would be potentially a thousand times faster. Only a 150-tube prototype had been completed when the project was discontinued as the German military authorities believed the end of the war was in sight.

In 1943, when the tide turned against Germany, the Z3 was destroyed by the Allied air raids on Berlin. With the intervention of Werner von Braun the Z4 was taken to safety in the underground Harz mountain chambers where the V1 and V2 flying bombs were being developed. With extreme material shortages of every kind, Zuse and Schreyer had to abandon computer building. As the war came to its end, Schreyer, a Nazi Party member, fled to South America, while Zuse, who was neither a party member nor a dissident, retreated to an Alpine village, Hinterstein, for the next few years, there he first rescued and then preserved the precious Z4 computer in a stable.

He began to look at an aspect of computing that did not require physical resources - computer programming. He devised a remarkable system, the *Planalkal*, which anticipated many programming concepts that only surfaced in the United States and Britain in the early 1950s. Like his earlier computer work, the *Planalkal* was a kind of desert-island computing - entirely born of Zuse's mind, neither influenced by, nor influencing, the work of others.

In 1949, when the first electronic computers in America and Britain were becoming operational, the Federal Polytechnic Institute in Zurich acquired the carefully preserved Z4. Refurbished, it was pressed into service in 1950, helping to establish the institute as a leading centre of computing research in continental Europe.

In 1950, as German industry re-established itself, Zuse, still only 40, set up a successful computer manufacturing business, Zuse KG. The firm produced a number of slow but inexpensive relay-based computers, before making in 1958 the Z22, a full-scale electronic computer of which some 30 were sold. The 1960s were a difficult period for the European industry, with the onslaught of IBM and the American giants. In 1967, Zuse KG was acquired by Siemens. Zuse remained active as a consultant and researcher for several years. In his retirement he devoted his time to sketching and painting. He was an accomplished and natural draftsman.

Outside Germany, Konrad Zuse was almost unknown until the 1960s, and his computer research had no discernible impact on the mainstream of computer development. Even his *Planalkal* was not published in English until 1972, when software had advanced so far beyond his work of 1945 that it was little more than an academic curiosity. But a new generation of computer scientists and engineers recognised the enormity of Zuse's accomplishments, which were even more impressive for having been undertaken in almost total isolation. In the 1970s and 1980s Zuse was showered with honorary degrees, and awards and medals from the computer and electrical engineering industries.

Martin Campbell-Kelly



Desert-island computing: Zuse with his Z4 computer, c.1942

pleading for the German Army Command to accept the military significance of Zuse's computing work and allow him to return to his computer building. He now joined the Third Reich's Aerodynamics Research Institute which funded the building of a full-scale computer, the Z3. The Z3 became operational in December 1941, and was by two years the world's first practical automatic com-

Konrad Zuse, computer scientist; born Berlin 22 June 1910; married (two sons, two daughters, and one son deceased); died Hinterstein, Germany 19 December 1995.

## Council need not manage residential homes for elderly

## LAW REPORT

21 December 1995

Regina v Wandsworth London Borough Council, ex parte Beckwith; House of Lords (Lord Goff of Chieveley, Lord Griffiths, Lord Jauncey of Tullichettle, Lord Browne-Wilkinson and Lord Hoffmann); 14 December 1995

A local authority is not under a legal duty directly to maintain any accommodation for the elderly in need of care and attention in premises under its own management but is entitled to make arrangements with voluntary organisations or in the private sector to provide accommodation.

The House of Lords dismissed an appeal by the applicant, William Beckwith, from the Court of Appeal's decision that the council was entitled to discharge its statutory duty to make arrangements for providing residential accommodation for old people in need of care and attention entirely by means of arrangements made with third parties.

Sections 21 and 26 of the National Assistance Act 1948, as amended by the National

Health Service and Community Care Act 1990 and the Community Care (Residential Accommodation) Act 1992 provide:

21(1) ... a local authority ... shall make arrangements for providing (a) residential accommodation for persons ... who by reason of age, illness, disability ... are in need of care and attention ... 26(1) ... arrangements under section 21 ... may include arrangements made with a voluntary organisation or with any other person ...

The applicant, aged 75, lived in one of four homes for the elderly in Wandsworth. In 1994 the council decided to transfer three homes into private ownership, subject to arrangements for their continued use as homes for the elderly, and to close the fourth. The applicant applied for judicial review on the ground that the council was under a legal duty under sections 21 and 26, as amended, to maintain some accommodation for elderly in

premises under its own direct management.

Mr Justice Popplewell quashed the council's decision. The Court of Appeal allowed the council's appeal, holding that the council was entitled to discharge its statutory duty entirely by means of arrangements made with third parties.

The applicant appealed, arguing that "may include" in section 26 meant that private sector arrangements might form part of the local authority's arrangements under section 21 but did not under section 21 might wholly consist of.

Lord Hoffmann said that if the Act had said that accommodation to be provided by the council "may include" homes in the private, there might have

been some force in the argument. However the duty of the council under section 21 was to provide "arrangements" for providing residential accommodation for certain classes of people.

Section 26 said that "arrangements under section 21" (not "the arrangements made under section 21") might include arrangements with the private sector. The draftsman was not saying that homes in the private sector might be included in the collective of homes which the council had to provide. He was saying that the concept of "arrangement" which had been used to define the council's duty in section 21 was to include arrangements with the private sector.

That produced an altogether different result: it extended the meaning of the concept by which the council's duty was defined. Any arrangements which fell within the extended defini-

tion would satisfy the council's duty.

The policy guidance issued by the Department of Health contained references to a "mixed economy of care" and encouraged more use of the private sector. The guidance contemplated that the move to greater private provision would take some time. It did not follow that local authorities had to retain direct control of some unspecified proportion of every service. That would have been imposing a duty to make direct provision which seemed contrary to the general thrust of the government's policy.

It was true that paragraph 4 of Local Authority Circular LAC(93)10 said it was the view of the department that the amendments would require authorities to make some provision for residential care under the 1948 Act. That statement was simply wrong.

Lord Goff, Lord Griffiths, Lord Jauncey and Lord Browne-Wilkinson agreed.

Ying Hai Tan, Barrister



# How the guns kept drugs out of Belfast

Despite the ceasefire, killings continue – but many people in Northern Ireland privately applaud the shooting of traffickers. David McKittrick explains

Somebody is killing drug dealers in Belfast. Mickey "Moneybags" Mooney was the first to go, gunned down in a city-centre bar in April. Another fatal shooting followed in September, and this month there have been three more.

Three of the dead men, including Moneybags, were unquestionably major, full-time professional drug dealers, buying and pushing drugs on a large scale. The most recent victim, who died on Tuesday night, may not have been quite in their league, though he was awaiting trial on a charge of importing cannabis worth £250,000.

The fifth killing is less clear-cut, for the victim had only a glancing connection with drugs, though he was well-known to detectives investigating armed robberies.

Since the IRA and loyalist ceasefires of late 1994 there have been a handful of other murders: a postal worker killed during a robbery, for which the IRA apologised; some Catholics killed by drunken loyalists; a loyalist dying in a revenge killing at the hands of his former associates.

Each time news arrives that a man has been shot dead everyone holds their breath for a moment, then relaxes when it becomes clear that the incident represents no threat to the ceasefires. Once this has been established these killings fade fast from the public memory.

The fact of these three drug-related deaths within a month is, however, raising new questions about who is responsible, and whether this much-increased killing rate could lead to a slide back to full-scale violence. Although the IRA has not admitted any of the killings, most assume they are its work.

Although the police are undoubt-

edly pursuing the gunmen, both the RUC and government ministers have been markedly evasive in answering questions about who is doing the killings. Senior spokesmen have in effect been at pains not to accuse the IRA of responsibility: politically, the name of the game seems to be to attempt to make a distinction between political violence and vigilantism.

All this is posing fundamental questions about Northern Ireland as a society, for the chilling truth is that the attitude of many sections of opinion towards the drugs killings is one of public silence but private applause. Drug dealers are regarded as the lowest of the low, and few shed tears when they meet sudden premature deaths.

Such attitudes are not confined to Northern Ireland, as Michael Winner's vigilante films suggest, but there are particular reasons why Belfast does not mourn the passing of such men. For one thing, a quarter-century of terrorism has inevitably inured many to the idea of violent death.

There is another reason. Belfast may have suffered terribly from terrorism, but the troubles had the effect of ensuring that it remained

the most drug-free city in these islands. People now want it to stay that way.

In the 1970s the fact that both republican and loyalist groups made it clear they would kill dealers kept the city, apart from the traditionally bohemian student districts, relatively free of drugs.

This hard-line attitude softened in the late 1980s, particularly on the loy-

alist side, with increasing quantities of dope and tablets gradually making their appearance. In the early 1990s the IRA maintained its puritanical anti-drugs stance but in other quarters things changed dramatically. Some minor republican groups and some major loyalist figures, seeing the profits to be made, switched from condemning the drugs trade to actively trafficking in it.

But even then there were unwritten rules and regulations. Dope and Ecstasy tablets became more widely available but heroin and the like have been strictly taboo. Dublin, 100 miles and a three-hour car journey away, had thousands of heroin addicts, but in Belfast the drug was practically unknown.

The IRA made its attitude clear with several large-scale operations: in 1992, in one night, it killed one drug dealer and kidnapped another 10. In 1994, a few months before its cessation of violence, scores of IRA members took part in attacks which killed one dealer and injured a further 16.

In the republican districts where drugs were taking hold, many people openly approved of this violence against what were termed "anti-social elements," while many more displayed ambivalence. The IRA was widely regarded as keeping the problem at bay, so that when it called its ceasefire many feared it would have the unwelcome side-

effect of opening up Belfast to heroin and cocaine.

That was, after all, exactly what happened in South Africa in the wake of the political settlement there. Before the agreement, drug abuse was mainly confined to marijuana and pills, but since then parts of the country, including Soweto, have been flooded with cocaine as a Nigerian drug cartel set about creating a new market.

In Belfast the quantity of marijuana and Ecstasy tablets available rose steeply in the aftermath of the ceasefires. The RUC reinforced its drug squad, but there was widespread public concern about the possibility of a flood of drugs, including cocaine or heroin.

The shootings of the four dealers have sent a message both to local dealers and to those who might be tempted to come in from outside. After the killing of Moneybags some of his associates stood in the street outside the bar and angrily shouted: "What ceasefire?"

What about the ceasefire now? The message is that the IRA cessation does not extend to the drugs trade.

The killings may well have the effect of stopping that trade from flourishing, and of keeping heroin out of Belfast. In themselves these are laudable ends; the problem is the means by which they are achieved. Assuming the killers are the IRA, their activities are allowing the organisation to project itself as the defender of the community.

But in doing so it is keeping the flame of violence lit, demonstrating the power of the gun and projecting the pernicious message that, while political terrorism may be over, carefully directed violence is a useful tool of social control. If that continues, it will dash the hopes of those who hoped that paramilitarism would slowly but surely wither away, to be replaced eventually by a society in which the gun had no role.

## Registered drug addicts in the major conurbations

(per 1,000,000 of the population)



## Paramilitary violence since the ceasefire

● Republicans and loyalists have carried out 245 beatings since the ceasefire compared with 190 attacks in the previous 14 months. Of these, loyalists carried out 119 and the republicans 71.

● Since the ceasefire, loyalists have carried out 86 beatings whereas the

republicans have been responsible for 159 – more than double the number for the equivalent period prior to the ceasefire.

● The latest figures indicate that there have been 27 murders in Northern Ireland since the ceasefire compared with 126 murders in the 14 months before the ceasefire.

Keen to build on new-found ratings glory after Martin Bashir's interview with the Princess of Wales, the people at *Panorama* are gleefully planning a further coup. They intend their next major exploration of current affairs to be an interview with the Duchess of York.

So we could yet witness Bashir looking solemnly through his spectacles at the Duchess and asking probing policy questions such as: "Duchess, how exactly did you feel



Putting her foot down

when you and Mr Bryant explored the enigmatic qualities of love?"

But I suspect that the duchess, who may yet repair her marriage to Prince Andrew, is unlikely to rock the family boat in quite the same way as her sister-in-law.

"We have been asked in the last few days if she is going to do it, and her answer is emphatically 'No'. I was right beside her when she said it," said the duchess's press secretary, Dominique Valley, yesterday.

The *Panorama* team were coy: "We haven't heard anything about this," said a spokeswoman.

I suppose their shyness might stem from the unduly long time it is taking the programme's editors to find a suitable link with the duchess. Sadly



for *Panorama*, she has no great interest in rugby. The Princess of Wales interview was mediated through Will Carling – Bashir and Carling became friends some years ago through their shared love of the sport. Some say this friendship explains the peculiar omission of any questions about Carling in the interview with the princess. Eagle Eye is not so cynical and is sure the investigative Bashir just ran out of time.

There was a notable horticultural faux pas this week when an episode of the BBC's *Gardeners' Question Time* was recorded on the terrace of the House of Commons. Hosted by Westminster's all-party Gardening Club, the panel of experts took questions from such gardening experts as Ken Livingstone, Alf Morris and the Australian-born life peer, the suitably named Lady Gardener of Parkes.

The guest panellist, Gordon McMaster MP, a professional horticulturalist himself, waxed aggressively on the subject of poinsettias, those ubiquitous seasonal red-leaved horrors. Asked for advice for all those saddled with them as Christmas gift, he snarled that they should be quietly done away with.

A good, controversial show, and what better way to round it off than refreshments at the Speaker's house? Betty Boothroyd herself greeted them on the steps. Who, she asked indignantly, had been so rude about

poinsettias? She glared loftily from the elegant Speaker's staircase, festooned from top to bottom with glowing poinsettias.

After stirring things up somewhat in national lottery circles, Richard Branson, I hear, is planning a return to his first love – running a record label. The founder of Virgin Records, who sold his youthful dream to Thorn EMI in 1992, is suffering withdrawal symptoms three years on. He has set up a working party to investigate how he can make his mark in the music business once more. Branson has inquired about several artists, including Janet Jackson. But whatever his new label is called, it will not be the title most associated with him.

Virgin Records executives are adamant that he will be legally unable to use the Virgin name.



A man with no name

If you are one of those who find it exhausting enough to have just one Father Christmas at a time appearing round every corner, spare a thought for the shoppers at the Emporium store in San Francisco, who this week found themselves facing a giant crowd of 100 Father Christmases, all

running riot at the same time.

Two Santa Clauses were arrested for rustling with guards in an argument involving a Christmas wreath. Some of the roving white-beards invaded a rooftop children's carnival and stole decorations and other Christmas props. And a Mother Christmas was charged with indecent exposure after allegedly popping her breasts out in front of the assembled company.

The event was organised by the reasonably named Caecophony Society, which had invited the Santa Clauses to converge in downtown San Francisco. But police inspector Randy Krings – yes, really – did not enter into the festive spirit.

"This is something you'd expect from teenage kids. You'd think these people would have a higher sense of responsibility." But I have some sympathy with the inspector. There is no police manual guidance on what to say when Mother Christmas exposes herself.

A mysterious, elegantly coiffured lady was pictured yesterday on three newspaper front pages with the MP David Ashby as he left the High Court after losing his libel case. The *Guardian* had a large front page picture solely of Ashby and the woman; the *Times* and *Telegraph* also showed her in close proximity to him. Could she have been a skeleton from his closet that might yet save his reputation? The truth is more prosaic. She was *Independent* reporter Rebecca Fowler after one last quote, and at the same time providing her newsworthy and ocular proof three times over that she hadn't skived off to do her Christmas shopping.

Eagle Eye





# INDEPENDENT

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## Something fishy at Westminster

You can bet fish are not high up the Downing Street Christmas menu this year. John Major won't want to be reminded of his embarrassing defeat in the House of Commons over European fishing rules. And such an irritating vote to lose – no direct consequences for fish, fishermen or fish-eaters, and no great principles invoked in the debate. Yet thanks to Labour's opportunism and the determination of the Euro-sceptics, the fragility of Mr Major's majority was forced into public view once more.

But fish are not the precursor of an early election. Although Conservative numbers in the Commons are gradually being whittled down by death and defection, Mr Major still maintains an outright majority of three (five if you include Sir Richard Body, the Euro-sceptic who doesn't take the Conservative whip). All of these will return to the fold if a vote of confidence is called. In the Seventies, James Callaghan lasted for years without an actual majority at all. Never underestimate the resilience and williness of a group of politicians determined to keep hold of power.

The fish vote has more significance for the nature of government in 1996 than it does for the timing of the general election. Gradually politicians, press and public alike are adjusting to a Westminster where the balance of power is fragile. The Eighties world of huge majorities allowed the Tory governments of that period to push through legislation without fear of defeat and little need for debate. Small majorities, on the other hand, may increase the power of Parliament. In extremis, governments can be obliged to negotiate openly in order to build a consensus between different

groups, thereby exposing policy proposals to a far greater degree of public debate than the current adversarial party system normally requires.

The trouble is that the House of Commons under Mr Major is a far cry from such involuntary consensus government. Instead of moderating policies to collect extra votes in the centre, Mr Major has to play to the far right. Whether it be Euro-sceptics and fish, or conservative moralists and divorce, it is the Conservative right wing which is accruing undue influence.

Thanks to the adversarial party system, there is little chance of the Government being shored up by extra votes from the centre. The Labour Party finally has power in its sights and, with the notable exception of Northern Ireland, is primarily motivated by the desire to make life as hard as possible for the Government. Even the Liberal Democrats, a source of extra votes in the past, have decided it is better to hasten the arrival of a fresh new government than to keep the Conservatives staggering on.

The process of political negotiation is equally disappointing. Instead of open debate over policies in advance, we see sudden swings in direction and blatant last-minute bribes. In Tuesday's debate, the Government suddenly produced £4m in grants to fishing ports in an attempt to win those last few votes.

This is all rather depressing. An ominous pattern is being set for the politics of 1996: a faltering government pandering to its own rebels, a frequent chopping and changing in policy direction, and an Opposition driven only by the scent of power in its nostrils. At least a general election is no more than 15 months away.

## A warm glow in South Mimms

Stress over Britain. Stress curling under the doors of the executives of merchant banks; stress seizing the hearts of overworked middle managers in cold embrace; stress entering the industrial estate and paralysing the limbs of the small businessman; stress enveloping the Christmas shopper; seasonal stress taking the round redness out of the cook's face and replacing it with a pinched desperation. And stress gripping the temper of the Yuletide motorist, caught in jams or stranded by snow, with so much to do and so little time to do it.

But yesterday, in the warm, well-lit halls of the South Mimms service station, whose thousands of cheerful lights cast a rosy glow out on to the grim greyness of the M25, stress was being banished. The benevolent ladies and gentlemen of the Royal Automobile Club had met and decided (doubtless over mulled wine and sweetmeats) to assist the beleaguered motorists of Britain. A psychologist would be on hand to counsel the stress away, to exercise it. Yesterday it was the turn of the country's largest orbital motorway. Today Conrad King (for such is the eminent man's name) will be on hand at Fleet on the M3 and Bitchingham on the M11.

Here we reproduce some of the advice that the admirable King will be giving to the patients on the couch. We have tried to help even further by supplying the undesirable alternative in parentheses: Stay calm and ignore challenges from

other drivers (no screaming "Bastard" at the top of your voice if the Volvo driver in the sheepskin so much as glances at you).

Be courteous and use the RAC thank you/sorry sign (which does not consist of a sudden upward gesture with the extended middle finger).

Plan your route in advance, to avoid last-minute arguments over map-reading (we are sick of picking up spouses who have been dumped on the hard shoulder together with shredded editions of 'Rondefinder Britain').

Try to relax by listening to soothing music (it is funny how many accidents are caused by heavy metal fans attempting to drive while pretending to be lead guitar).

Listen to weather forecasts before setting out, and plan your journey time accordingly (if Michael Fish so much as mentions snow, forget delivering that donated kidney to the waiting hospital. Go at once to the supermarket, stock up with tinned soup and Longlife milk – you're in for the long haul).

It should be clear by now that the RAC has established a useful precedent with its psychologist, which others might well emulate. Could not the divine Della be on hand, via radio or television, to counsel those struggling with vast turkey dinners ("think twice before you throw that gravy boat at granny"), or department store Santas stand ready to throw iced water on overheating shoppers? Stress is the enemy of us all. Let us defeat him together.



## LETTERS TO THE EDITOR

### Prison regime for women

From Mr Stephen Shaw  
Sir: You are right to place responsibility for the horrors of Holloway at the door of the Home Secretary ("Howard must act on prison misery", 20 December). The excessive use of imprisonment, the overemphasis on security, the budgetary restrictions, and the failure over many years to find alternative accommodation for mentally ill prisoners, are all politically driven.

However, we need to look beyond the immediate situation at Holloway – appalling though it is – to see if there are better ways of running the women's prison system as a whole. A fundamental problem is that the security crackdown which followed the escapes from Whitemoor and Parkhurst applies just as much to female prisoners as to males. Similarly, home leave and temporary release opportunities have been decimated for women, although all the serious home leave "failures" (an unfortunate euphemism, since they included several murders and armed robberies) involved male prisoners.

Given the distinct needs and characteristics of women prisoners, the running of women's prisons should be regarded as a specialism, and the women's prison system managed separately from that of the males. This would enable rules and regulations in women's prisons more effectively to reflect women's needs. And it would ensure that those needs receive the priority – and the resources – which they deserve. To most people, the chaining of women prisoners up to the point of giving birth will seem a monstrosity. It has occurred because the interests of women have been ignored in an orgy of security resulting from the misdeeds of men. Yours faithfully, STEPHEN SHAW, Director, Prison Reform Trust, London, EC1

### Christian Christmases need Santa – and cribs

From Mr Martin Hill  
Sir: The upset caused by Canon Brian Andrews to the parishioners and children in his congregation is a lesson which the theologically minded need to learn ("Vicar's attack on Santa ends in tears", 18 December). Christmas is not about the historicity of the gospel birth narratives or the difference between fact and fable. Neither is it about the contemporary issues, highlighted by the Rt Rev Dr David Jenkins, of homelessness, poverty and oppression. It is about having a nice time with little children dressed as angels, shepherds, kings, Joseph and Mary and a dolly in the manger to represent the baby Jesus. It is about trying to find a "window" in a world increasingly pressured by universal degradation and self-worthlessness to see the possibility of affirmation and self-worth.

David Jenkins is right to bring into question the increasing materialism with which the traditional spiritual values of Christmas are blighted. Yes, let us affirm the facts of the gospel message, indeed I am all for it, but let the spirit of giving embodied in Santa Claus remain a part of our children's Christmas. Perhaps by the maintenance of this traditional embellishment to Christmas our children may learn that Christmas is about giving: God's gift to us of Jesus Christ, the symbolic gifts made to him by the magi, and our exchanging gifts with one another to mark this tremendous act of a loving God. Yours faithfully, MARTIN HILL, Manchester, 18 December

### Permanent record of stage plays

From Mrs Sue Rolfe  
Sir: David Lister argued (Section Two; "As not seen on TV", 6 December) that more theatre productions should be televised. Simon Curtis, executive producer of BBC's Performance series, replied (Section Two, 13 December), pointing out that "superb theatre does not always make good television" and that in very many cases theatre producers refuse permission. The Theatre Museum does offer an alternative solution: The National Video Archive of Stage Performance. The purpose of this scheme, created by Margaret Benton in 1992, with union agreement, is to provide

a permanent audio-visual record of live stage performance in Britain as a national research and educational resource for performing arts professionals, students and public. Forty productions have now been recorded – most recently *Taking Sides*, *Myo*, *The Second Mrs Kong* and *King Arthur*. These are archival recordings of stage performances and are not therefore intended for broadcast. However they are of a very high quality and are proving invaluable for all those wishing to view past productions. Yours sincerely, SUE ROLFE, Head of Press and Publicity, Theatre Museum, London, WC2 20 December

From Mrs J. M. Challenger  
Sir: It will be a sad day for Christianity when the nativity play is "suppressed", as the Rt Rev Dr David Jenkins suggests it should be ("Another View: 'Separating the nativity from the nativity'", 18 December). As an infant teacher who has staged the nativity play more times than I would care to remember, I know that for very many children this is possibly the most enduring and objective piece of teaching about Chris-

tianity that they will ever receive. I, and countless teachers like myself, go to great lengths to put the birth of Jesus in an historical context, and even very young children are capable of understanding that it was a real event, that it took place in a country far away, and that it is this event that we celebrate each Christmas.

They are able to understand in a remarkably mature way concepts such as angels being symbolic messengers from God, and in their own mysterious way they are able to differentiate between pure fantasy – as in the tooth fairy – and reality. Abolish nativity plays and you take away the last vestige of a meaningful Christmas from the young children of society. It would appear that there are a good many clergy who have little understanding of young children and who certainly underestimate both their need for fantasy and their capability of understanding difficult concepts. Yours faithfully, JULIA CHALLENGER, Petham, Kent, 18 December

### Risk assessment by league tables

From Dr Peter Stow  
Sir: As an anaesthetist, the assessment of risk to health is part of my everyday life. Similarly, every insurance premium that individual pays is based on the likelihood of a particular event. Yet, as a society, risk assessment is something that receives scant regard. Your article "Nose picks steer path to danger" (19 December) highlights the absurd risks that we are prepared to accept in the course of everyday activity. Part of my reassurance to patients anxious about the outcome of their impending anaesthetic is to explain that the most dangerous part of their day is likely to have been their car journey to hospital. Yet we seem to accept these risks with little concern. Cigarette smoking kills hundreds of thousands per year, but receives little of the coverage attached to BSE. Frightening though Creutzfeldt-Jakob Disease may be, it accounts for a mere 40-50 deaths per year. We are becoming increasingly used to league tables. Is it not time that a responsible media started to publish weekly tables of lifestyle-associated risk in order that individuals and society may focus efforts more meaningfully? Driving, smoking and lack of exercise at the top, attack from meteorites at the bottom. Yours faithfully, PETER STOW, Ipswich, 20 December

From Mr John Cartwright  
Sir: Your editorial ("Bulls in Brixton's china shop" 13 December) on the death of Wayne Douglas said "his death requires an independent investigation". I can assure you that our inquiry will be thorough and impartial. It will seek to get at the truth. The Police Complaints Authority has always jealously guarded its independence and I do not believe that any other form of inquiry could get nearer to discovering what happened. Yours faithfully, JOHN CARTWRIGHT, Deputy Chairman (Investigation), Police Complaints Authority, London, SW1, 20 December

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### Nice schools, pity about the pupils

From Mr David Robinson  
Sir: I am interested in the reasons why so many parents favour private education. Is the real problem for the unpopular state schools the pupils who attend them, and not that they are providing inferior education? Yours faithfully, DAVID ROBINSON, Elected parent governor, King Edward VI College, Totnes, Devon, 16 December

### Distorted view of teachers

From Mr J. Starkie  
Sir: I, along with my colleagues, am thoroughly sickened by the incessant attack on our professionalism ("Schools need much more than money", 16 December). It is the end of a long term and we are, generally on our knees, having spent lunch breaks, evenings and weekends during term time struggling to enhance the experiences and achievements of the children in our charge, in addition to the gruelling task of managing and teaching students in groups of 30 or more within a teaching day.

In my current school, and in any of the previous six schools I have taught in, I simply do not recognise the foot-dragging, ludicrous, lazy image which, knowingly or not, Chris Woodhead and others in the distant ivory towers of Whitehall portray of teachers.

What I completely fail to understand is why Mr Woodhead is attempting to create a false dichotomy of class size versus quality of teaching. It is obvious to all that quality of teaching is vitally important. However it is equally self-evident that pupil-to-teacher ratio is of just as much influence in the experience of children. You only have to look at the comparative studies of pupil attainment in France and Germany with those in Britain, then look at the staff/student ratios in the three countries, to arrive at that conclusion. Yours faithfully, J. STARKIE, Plymouth, Devon, 17 December

### Civil liberties on the slippery slope

From Mrs Anna Coote  
Sir: David Aaronovitch cites me in his interview with Jack Straw (Section Two; "Labour's Essex man", 20 December) as a representative of "liberal-minded folk" concerned with the rise of social authoritarianism in the ranks of new Labour. OK, I admit it. Next he accuses me of gut-level allegiance with "filthy, intimidating, obscenity-shouting addicts" and indifference to the fears of "little old ladies going about their lawful business".

Good grief! Can it be true? I thought I was mounting a defence of civil liberties. I thought I was voicing alarm at the exclusive, punitive "communitarian" ideas which have seduced some of our politicians. I had no idea I was on the slippery slope to decadence and disorder. Lock me up, Jack... before I do any more harm. Yours faithfully, ANNA COOTE, Deputy Director, Institute for Public Policy Research, London, WC2, 20 December

### Interesting point

From Mr K. Mines  
Sir: I am surprised that Tam Dalyell and/or Godfrey Agnew got the Chinese proverb wrong (Obituary, 14 December). It is, of course, "fortunate are those who live in uninteresting times" – a much more oriental comment. Yours faithfully, K. MINES, Huddersfield

## Yesterday's man, today's hot spot

At a glittering ceremony in the Canary Wharf Ballroom Suite last night, the prizes were awarded in the 1995 Independent Awards of the Year during a presentation that will never be forgotten by those who stayed awake until the end. As the waiters passed among the star-studded tables doling out generous office sandwiches from their rural baskets, the chairman of Independent Newspapers, Lord Shareholder, rose to address the audience and spoke as follows:

"My lords, ladies and gentlemen, and workers in the press media. This is not a ceremony like other ceremonies. For one thing, we will not be presenting a prize to any Personality of the Year."

"To be a Personality is a dreadful thing. Whenever I hear someone greeted as a Sports Personality of the Year, for example, I feel sorry for that person. For I know that he is doomed to stop being a personality at the end of the year. How dreadful to see January approaching, and know that you have only a few days left as a personality!"

"Indeed," continued Lord Shareholder, "to appreciative chuckles, 'I myself, if nominated as a Personality, would be very worried indeed. Not just at the prospect of becoming an ex-personality, but also at the prospect of not surviving much longer. I do not know how many of you listen to the Radio 4 programme called Today..."



MILES KINGTON

Here the noble Lord looked round the Independent Ballroom in Conference Suite, but it was far from obvious from the glazed faces whether the guests had taken in his remark. He continued: "Let me tell you, then, that recently the Today programme has been organising its Personality of 1995 Listeners' Poll. There were six people on the shortlist to succeed last year's winner, Roy Castle. These six were as follows: the Princess of Wales; HRH the Queen Mother; Yitzhak Rabin; the murdered headmaster Philip Lawrence; John Major; and Tony Blair."

A murmur of incredulity swept round the Independent Heritage Banqueting Suite (audiovisual facilities available). "Think about it. Last year's winner is dead. Two of this year's nominees are already dead, and one is very, very old. I am no actuary, but it seemed to me either that the death risk among Personalities is very high, or that people think that dying confers Personality on a person. Either way, I would be worried if I were told that I were being considered for a Personality shortlist, and I would adjourn to a health farm until it was all over."

A brief chuckle raced through the throng and expired.

"But do you notice another thing about that shortlist for Personality of the Year? Do you notice that none of the nominees is famous for their personality, and that at least one or two of them are famous for being deficient in personality? My lords, ladies and gentlemen, may I suggest to you that if we are giving out prizes for personality, we might as well select people who are all personality. I think of people such as Janet Street-Porter, Paula Yates, Jeffrey Archer..."

At this there was a friendly heckle from the audience when someone called out: "Have you read any of his books?"

"Yes, I have," replied Lord Shareholder, "and that is why I tell you that Archer is all personality. There seems to be no other contributory factor to his success."

After the laughter had died down, he continued: "If we are to award prizes for personality to dead people, why not give them to real personalities? Why not to the late Peter Cook? Or Robert Stephens? Why not to John Lennon?"

"Because he didn't die in 1995," came another cry.

"And nor did Henry Purcell," retorted Lord Shareholder, "but he for my money was the musical personality of 1995..."

"However, I have spent enough time telling you why we are not choosing a Personality of the Year. Let me tell you instead which areas are in the running to win the coveted prize as Trouble Spot of the Year, for which Brixton, south London, has made such a spirited late bid."

Which place will win the Trouble Spot of the Year Award and take over the trophy won last year by Haiti? Will it be Northern Ireland? Bosnia? Rwanda? Wherever Manchester United play away? We bring you the climax of the ceremony tomorrow!



# Why the ranters are right about EMU

European politicians are stupid to pursue monetary union. And if they join together by the year 2010, they'll repent by 2020

When the politicians and the ordinary people disagree, trust the ordinary people. And so it will be with the "Euro", the new European currency, the name of which was agreed last weekend. A grand battle is beginning in earnest between the common-sense instincts of ordinary people and the plans of Europe's most important politicians.

There is enormous momentum behind those plans, for the government machines of Germany and France (plus, of course, the European bureaucracy) support them. Even here in Britain, the most semi-



HAMISH McRAE

detached of the large European Union nations, the leaderships of both our main parties do not dare to say publicly that Europe's plans are mad. And much of the British business Establishment not only supports a common currency, but would like Britain to join in the plan.

By contrast, opposition to monetary union is fragmented and relatively inarticulate. It exists, of course, as is evidenced by strings of opinion polls. But within the European establishment the pockets of opposition are either muzzled, or can be dismissed as representing sectional interests.

Thus while the "pros" appear to be the measured and responsible insiders, the handful of politicians with access to the media who put the counter case - people such as John Redwood - too often come over either as extremist ranters, or nostalgics, or as driven more by personal ambition than rational analysis.

Because it is only rarely that the sensible case against monetary union is set out, there is a grave danger that ordinary people will allow themselves to be persuaded that the mea-

sured men are right and the ranters wrong.

In fact there is a powerful case to be made that a currency union is technically the incorrect form for the European economy, and an absolutely overwhelming case that it is unnecessary for Europe's economic prosperity.

The technical case has been made this week - ironically, a couple of days after the closing of the Euro - by the OECD, the economic "club" of the world's richest nations. Its latest *Economic Outlook* gives a cool assessment of the difficulties Europe faces. It starts, reasonably enough, by outlining the theoretical advantages of a common currency: removing

the risk and costs of having exchange rate adjustments would make cross-border trade easier and allow companies to concentrate on spotting opportunities based on changes in demand, tastes, and so on.

This takes up 20 lines of text. There follow 140 lines on the problems. Some of these are transitional. But the OECD highlights a further set of problems that would occur once the common currency was in place. At the moment countries can adapt their monetary policies to local needs; they can meet recession by dropping short-term interest rates and if necessary allowing the currency to depreciate. With a common currency they would not be able to do this.

Instead, they would have to adjust by cutting wages, or by encouraging workers to migrate to another part of the EU, or by having the more buoyant parts of Europe transfer funds (taxing the richer parts and subsidising the poorer ones).

The United States does make just such adjustments through migration and fiscal transfers, but within Europe migration is much more limited (and causes considerable tension), while the relatively tiny transfer of taxes by Brussels is politically very unpopular. Without those mechanisms there would have to be swings in money wages, "and there are limits," the OECD says, "to the speed with which mon-

etary wages are likely to adjust."

You can see the point. If people can move around in search of jobs and if rich areas subsidise poor, then you can have a single currency and single monetary policy. If not, you can't. Provided the European economy operates as a single entity, responding in the same way to economic forces from around the world, then a common monetary policy will adapt to its needs. But if different parts of the European economy are affected in different ways, then monetary policy cannot cope. The key question is: to what extent does the European economy behave as a single entity?

Some parts do: Germany, the Netherlands and Austria

are almost completely integrated economies. But the rest of the EU is not. For example, if world oil prices rise, the impact on the British balance of payments is positive, but on virtually the whole of the rest of the EU it is negative. If there is a boom in the world demand for machine tools, Germany benefits, but the impact elsewhere is muted.

There are also differences in financial structure between the various European economies, such as the size of the owner-occupied housing sector, the importance of short-term borrowings, the importance of stock-market finance. A single change in interest rates will produce different effects.

Image: Jim Pavlidis  
Photograph: Herbie Knott



richer by boosting its internal trade (particularly since, for demographic reasons alone, it will be a slow-growing region); instead, it can get richer principally by increasing its trade with the rapidly growing countries of East Asia and its own economic hinterland of Eastern Europe.

If that is where the EU's prosperity lies (and I believe it is) then a single currency is an irrelevance.

Besides, countries such as Hong Kong and Singapore, tiny by comparison to most EU nations, have managed to achieve European living standards without the need to be

The key question is: to what extent does the European economy behave as a single entity?

members of a large currency union, while two of the richest European nations, Norway and Switzerland, have decided to stay outside the EU altogether. Ireland, one non-core EU member that might opt to join EMU, chose to break its currency union with Britain in 1978, and subsequently (thanks in part to EU subsidies) has grown faster than the UK. Clearly prosperity can be achieved by small countries that run their own currencies.

If there are all these rational arguments against a currency union, why is the EU marching on towards one? It is a big question and deserves a big answer. I think it is one of those cases where rational individuals behave in a collectively stupid way. Heavens knows, there are plenty of examples in European history, the most extreme being the mixture of arrogance and madness that led to the First World War, and the weakness and vacillation that led to the Second. For supporters of monetary union, their dream is almost a compensation for these past failures, an atonement: if we do not move forward we will slide back.

Not true. We can reach a plateau: a level of cultural and economic unity that recognises diversity and respects it. If, on the other hand, politics pushes beyond economic reality, it does risk disaster. The UK will probably be saved by its optics, but my fear is that France and Germany will indeed achieve a currency union in the first decade of the next century. If they do, it will break up acrimoniously in the second and will come to be judged as a grand historical error. We will wonder how sensible people came to be so stupid.

## The great American stalemate

Both Republicans and Democrats raised hopes, then dashed them. There is a lesson here for Tony Blair

If you think there are signs of degeneration in the British political system, a few days in Washington DC is a fine way of putting it all into perspective. We haven't had Whitehall shut down for lack of money, or the sort of institutional gridlock that has brought the US government into disrepute and chaos. But the American election campaign coming next year will be full of resonance for us.

The conventional wisdom is now that Clinton, having climbed from the depths of public disgust and evaded the probing fingers of the Whitewater affair, will be triumphantly re-elected, the first Democratic president to gain more than one victory since Franklin D Roosevelt.

Clinton will manage this not because of anything he has actually done, but for three negative reasons. First, the best-known conservative, Newt Gingrich, is even more hated for his tantrums, taint of personal corruption and partisan aggression. Second, because the Republicans haven't yet been able to muster a candidate any more charismatic than the ageing Bob Dole, a man with a large reputation for smallness of spirit. And third, because many natural conservatives are so disgusted with mainstream politics that they are likely to turn to a third-party candidate such as Ross Perot.

America's dilemma is summarised by the dark-coloured words spinning through that last paragraph of plain description - "hated", "tantrums", "corruption", "smallness of spirit", "disgusted". They too have a two-party system and they too seem to be increasingly disillusioned by it.

There is a good counter-intuitive case to be made against another

Clinton victory. For instance, the collapse of the Democrats in the US South means that Clinton would have to win every single Midwestern state - and all but one of them are governed by Republicans.

Then there's the unpredictable effect of the race itself. The Republican primary contest has been an extraordinary media turn-off. With Colin Powell a non-runner, there has been nobody much to challenge Dole. The Washington pundits and television stations have focused instead on the great budget battle between Congress and the White House, leaving would-be Republican presidents, including such once-notorious figures as Pat Buchanan, to slog round the talk-show and cable TV circuit.

It has had its funny side: the *Washington Post* recently reported on the frustration of "candidates who have spent more than 350 days campaigning in Iowa" without benefit of the airtime they had expected. One of them, the terminally uncharismatic Texas senator, Phil Gramm, came off his high horse and pleaded with the mere handful of reporters who turned up one stormy night at his meeting: "I came to Iowa to be covered. You've got to cover me."

Since Clinton seems virtually uncontested as the Democratic candidate, this expense of spirit in a waste of indifference is likely to continue for some time. But once the race proper heats up, the reporters and cameras will be back, mistakes will be amplified and anything can happen. It's worth recalling how pointless the Democratic struggle over who would challenge the "unbeatable" George Bush seemed when Clinton himself was slogging round rainy Iowa.



ANDREW MARR  
Columnist of the Year

Many Americans are so disgusted that they are likely to turn to a third-party candidate

But whether it's Clinton, Dole or Senator X who wins the 1996 White House contest, there are enough underlying signs of sickness in the American political system to worry all apparatchiks. Both main parties are highly unpopular, for reasons that are blatantly advertised by the long struggle over the budget.

Both Clinton in 1992 and the Republican "revolutionaries" who stormed Congress two years later had won by promising to be different, to cut through the capital's culture of closed deals and postponed decisions. Clinton was going to reinvent government, "end welfare as we know it" and repudiate the old Democrat lobbies still present in Congress. Once installed, though, he blinked and backed down.

Newt's revolutionary guard, meanwhile, were going to reclaim government for the little guy, forcing through a balanced budget. In the event they have been tougher than expected on

the poor, who don't vote, or vote Democrat, but have backed away from the bold promises to reform politics by tackling campaign financing, the special-interest groups and term limits for Congress.

As Clinton, Dole and Gingrich argued about the future of health care and welfare for the poorest in America, some \$100bn of direct and indirect subsidies to big business was barely grazed. As one political analyst put it to me: "The Republicans adroitly rode a tide of anti-government populism into Congress. But they haven't brought down the temple and thrown out the corrupt political class."

Both parties, in other words, have raised hopes for a real change in American politics, then dashed them. Hence the sour mood among voters and the readiness to contemplate a radical break with what still seems an old order.

Dissident Democrats as well as Republicans hoped that Powell would be their man, but the general declined. Now strange little Perot, jagged, provocative, with a simple chirpy message, is back on the stump. Will Marshall, of the Democratic Leadership Council (roughly equivalent to the modernisers of "new Labour" here) warns that "we may have an organised independent party in up to 40 states in '96."

In just 18 days recently, Perot registered 120,000 voters in California to get the Reform Party on to the ballot considered quite a feat by the professionals. Pollsters differ on just how big the disillusioned center of US politics might be, but reckon that anywhere between 20 and 40 per cent of the vote is available.

They are, of course, a hugely disparate group, ranging from anti-gov-

ernment libertarians to moderate suburbanites. But they are united in finding the traditional pro-big-business Republicans and the inner-city, trade-union-financed Democrats equally uninspiring.

In the shorter term, this revulsion from the old parties is likely to achieve much beyond helping Clinton in his battle with Dole. But there is a shift in the tectonic plates of American politics which could in time shake and then transform the party system. As things stand, the Democrats, with their inner-city "rotten boroughs" and lack of popular appeal are the biggest likely losers.

The great irony for a British observer is that the "new Democrat" reform movement was formed a decade ago partly because of the example of the doomed Labour Party. Now, though, as Marshall says, Tony Blair is admired in Washington: "Labour is a disciplined party with a directed intelligence. Blair can make it stick. We can't make it stick." He like other reformist Democrats, is worried about Clinton, gloomy about his rickety party, and concerned about the longer-term future of American politics.

To come to Washington and hear Labour praised is a novel experience. But there is a warning for Blair here, too: in politics there are few things more dangerous than arousing popular optimism and expectation of change, and then failing to deliver it. In different ways, both Republicans and Democrats are guilty of just this sin. Last week they seemed locked like exhausted wrestlers in a grip neither could escape. At the century's end, America is bored and angry with the spectacle; the year ahead may show how bored, and how angry.

ANOTHER VIEW David Woodhead

### In the name of fairness, keep assisted places

I share Polly Toynbee's distaste for snobbery, whether found in independent schools or state schools with more socially acceptable catchment areas than others. But even she is open to the charge of cosy self-satisfaction.

In "Buying more than just a good education" (20 December) she coins herself with the thought that, wherever she lived and "like most people who can afford it, I would be secure in the knowledge that I still had the choice to go private if I did not like the things were going in a state school". Bully for Polly.

She then attacks Isis for producing

a bulletin on behalf of parents less well off than her but no less anxious to secure the best education for their children. We challenged Labour to come clean on its plans for independent schools, not by misrepresenting its position but by quoting its leading spokesmen.

The main issue is the choice which is open to Polly Toynbee because she can afford it, but which, under Labour, will be closed to others because they cannot. It will be closed because the assisted places scheme will be phased out.

Why? Because even new Labour cannot accept academic selection.

But intelligence has rightly been described as a genuinely classless commodity. It is therefore a fairer way of selecting pupils than by income or address.

Professor Joan Freeman revealed a similar blind spot in her letter on 19 December. Her interpretation of research by Professor Peter Saunders and the link she made with assisted places combined superficiality with inaccuracy.

The research did not show state schools "are doing as well by their pupils" as independent schools: it was not a study of schools' current performance but of a cohort of people

born nearly 40 years ago. More reliable guides to performance are Department for Education and Employment statistics. They show pupils at all ability levels in independent schools achieving better results than candidates at other schools.

Professor Freeman's assertions about the backgrounds and performance of pupils on the assisted places scheme do not bear scrutiny. Research does not show that "most of the chosen children are from professional homes"; it shows that at least eight out of 10 are working class and lower middle class. Last year, assisted place pupils had an overall pass rate

of 93.48 per cent (51.26 per cent at grades A and B) at A-level and 91.84 per cent (73.91 per cent at grades A and B) at GCSE. More than 90 per cent went on to university degree courses.

Such impressive outcomes fully vindicate investment in the government scheme. They should even persuade Polly Toynbee to join the campaign to preserve it for the benefit of those whose resources are more limited than hers.

The writer is national director of the Independent Schools Information Service.

tell me one good thing about your bank



Bank breakthrough: Initial compensation to be at least 20p in the pound □ Head of criticised supervision operation announces early departure

## BCCI creditors to pocket first payout in summer

JOHN EISENHAMMER  
Financial Editor

More than 35,000 long-suffering British creditors of the disgraced Bank of Credit and Commerce International will see their first compensation payout of at least 20p in the pound by next summer. The final obstacle was cleared in a Luxembourg court yesterday, ending years of frustration and uncertainty since the bank was closed by regulators in July 1991 following the discovery of massive long-term fraud.

Sources at Touche Ross, the liquidators, suggested that the first payout might eventually be higher, but this can only be decided in April 1996. The liquidators, who are seeking to recover as many of the assets as possible on behalf of creditors, also hope that large funds will be available for further compensation payments from the several litigation cases under way.

BCCI, closed by the Bank of England and regulators in the two other jurisdictions where it was registered, Luxembourg and the Cayman Islands, left more than £7bn of debts. Of the 250,000 creditors world-wide, some 35,000 are based in the UK, a large proportion of them from the Asian community.

About 20 local councils are owed a total of £82m, which they lost in deposits at the bank. Worst hit was the West-

ern Isles council, which lost £24m. Until now British creditors have only received payments under the Bank of England's Depositors Protection Fund, with a maximum of £15,000.

Although the first settlement deal with Abu Dhabi, the majority shareholder, was signed as long ago as the summer of 1992, creditors' hopes of receiving some money have been constantly thwarted by a series of court delays. Legal agreement was necessary from all three jurisdictions, but Luxembourg has proved the source of most of the difficulties.

Yesterday marked the removal of the final technical hurdle, as the Luxembourg court formally approved the earlier withdrawal of an appeal against the settlement from four former BCCI employees.

The liquidators have so far retrieved some £2.2bn, including £1.2bn in a settlement with Abu Dhabi, and the remainder from funds located in the US and a settlement with Saudi Arabia's most prominent banking family.

However, only £1.3bn or so is likely to be used for the first tranche of the compensation payout, as the liquidators are required to withhold funds to complete the heavy litigation schedule and as a contingency for the myriad of disputes in the affair.

The biggest potential pot of money for creditors and former employees of the bank is the litigation being pursued by Touche Ross. The liquidators are suing the Bank of England over "misfeasance in public office". Touche Ross claims the Bank failed in its role as regulator of BCCI.

The liquidators are also suing Luxembourg's banking regulator, the Institut Monétaire Luxembourgeois. The biggest action of all is against BCCI's auditors, Price Waterhouse, for a claim of £2bn plus interest. Price Waterhouse recently announced plans to seek protection for its audit business from legal claims by re-registering in Jersey, but this would not help against the BCCI claim, the biggest outstanding against the auditing profession.

BCCI, founded in Luxembourg by the Pakistani businessman Agha Hassan Abedi in 1972, collapsed after a string of investigations into its affairs showed widespread evidence of money-laundering, fraud and deceit.

A US judge hearing evidence into one of the cases dubbed the bank "the most corrupt in history". The CIA admitted using BCCI to move money involved in drug dealings. Many former officials of the bank have been jailed or fined following investigations and court cases into the bank's collapse.



Angry creditors: Members of the UK's Asian community in an earlier protest about their treatment following the collapse of BCCI

## Quinn plans retirement from Bank

PETER RODGERS  
Business Editor

Brian Quinn, the executive director of the Bank of England who was responsible for banking supervision, is to retire in February, nine months before his 60th birthday.

The Bank flatly denied suggestions that his departure was linked with the Barings collapse in February - though there was criticism of the supervision department in a report in the summer which led to the resignation of Christo-

pher Thompson, one of its senior officials.

Mr Quinn's career as a senior executive in banking supervision and then as executive director in over-all charge has spanned three traumatic episodes in the Bank of England's recent history. They were the collapse of Johnson Matthey Bankers in 1984, when the Bank bought the company for £1 to save the bullion market from panic; the collapse of Bank of Credit and Commerce International in 1991; and the Barings collapse in February.

A Bank spokesman said Mr Quinn had told Eddie George, the Governor, more than a year ago - before the Barings crash - that he would not be seeking a further term as a director when his present term expired in February 1996.

The Bank was unable to say if Mr Quinn, a Glaswegian, was moving elsewhere, though there have been rumours that he is to become chairman of Celtic, the Glasgow football club.

The Bank said it was unusual for executive directors to stay on past 60, though there had been

cases. All appointments to the court are for four years and Mr Quinn would have to stay until the age of 63 if he served another term.

Mr Quinn's post as executive director is to be filled by Michael Foot, head of banking supervision. Sir John Hall, who developed Newcastle's Metro Centre, and John Neil, chief executive of Unipart, become non-executive directors, replacing Sir Christopher Hogg and Professor Sir Roland Smith. Mervyn King has been reappointed an executive director.



Brian Quinn: Intends to retire before reaching 60

## Mixed signals: Housing market shows signs of improvement while a decline in imports signals a run-down in manufacturers' stockpiles

### Trade deficit fall 'sign of weakening economy'

### Societies buoyant at surge in borrowing

PAUL WALLACE  
Economics Editor

Britain's trade balance with countries outside the European Union improved unexpectedly in November to its best for eight months. But economists warned that one reason for the improvement - a fall in imports - signalled that the economy was set to weaken as manufacturers ran down excess stocks.

The non-EU trade deficit was £500m in November, down from the record £1.2bn in October and half what the markets had been expecting. Official statisticians said that the trend deterioration in the balance had halted.

Exports jumped by £500m to reach a record £5.8bn. Erratic items - principally the sale of a warship to Saudi Arabia - accounted for half the rise in exports. But the underlying

volume - stripping out erratics and oil - rose by 5 per cent.

The increase in exports was to all areas outside the European Union. Sales to North America increased by £100m and have now risen by 11 per cent in the last three months compared with the previous three.

There was a particularly sharp jump in the volume of finished manufactures. These rose by 7 per cent in the three months ending November compared with the previous three months.

"If the world performs - and this month's data suggest the US is buying again - then so, too, will manufacturing industry," said Geoffrey Dicks, UK economist at NatWest Markets.

Exporters cut their prices for finished goods in November. In the three months ending November, prices rose by just 1 per cent compared with the previous three months. This contrasted with an 8 per cent

increase on last year. This, said Mr Dicks, suggested that "UK exporters are pricing more aggressively to obtain sales in a difficult world environment."

Imports fell by £300m to £6.3bn. The fall was concentrated in part-finished goods, implying that the long-awaited rundown in inventories has begun. "This is the first significant evidence that manufacturers are no longer rebuilding stocks," said Adam Cole, UK economist at James Capel.

The principal concern now is that the upturn in exports to countries outside the EU will be offset by a downturn in exports to the EU as demand weakens on the Continent.

A survey by Royal Bank of Scotland revealed that smaller exporters have become less optimistic about export prospects in the next year, mainly because of worries about sales to Continental Europe.

Hopes that the housing market might finally be inching its way out of its deepest slump in more than 20 years grew yesterday after figures from building societies and banks showed that the number of prospective borrowers climbed significantly last month.

The Building Societies Association said the estimated number of would-be borrowers reached 48,000 in November, up from 42,000 the previous month. There was also a sharp rise in societies' mortgage lending.

In a further sign of buoyancy in the economy, high street banks reported the second-highest amount of new lending to the personal sector. Loans dipped slightly below October's record level.

In addition, broad money growth, fuelled by the sharp increase in personal loans, burst above the Government's 3.9 per cent target range for the first time last month.

The broad measure of money supply, M4, grew by 9.3 per cent in the 12 months to November, the first time it has breached the target since its introduction in early 1993. The Chancellor of the Exchequer and Governor of the Bank of England cited rapid growth of broad money as a reason for cutting base rates by only a quarter point last week.

Simon Briscoe, UK economist at the securities firm Nikko, said: "Its strength will prompt more people to think

that the next rate cut might be delayed a little."

The building societies' mortgage commitments, made about 10 weeks before the loan takes place, are often seen as a longer-term indicator of the housing market.

Fuelling hopes that these figures are not a short-term blip, the number of commitments was up by 7.4 per cent in the three months to the end of November.

Lending by the societies rose sharply, up from £295m in October to £365m. Future new loan agreements hit £3.2bn, up from almost £2.9bn in the previous month.

Fears that the societies' upward lending trend was due to the continuing price war with large high street banks were dispelled by further figures from the British Bankers' Association. These showed that the banks' home loans grew from £616m to £677m over the same period.

Jan Shepherdson, UK economist at HSBC Greenwell, said

yesterday: "Given that new commitments are by far the best indicator of [future] activity and prices, the outlook for the housing market is now very promising."

Adrian Coles, director general of the Building Societies Association, described the figures as a "welcome reversal" of previously bad results. He said it was hoped they signalled the start of a modest recovery.

Thanks to the two recent reductions in mortgage rates, home loan costs are at their lowest level since 1988.

Tim Sweeney, director general of the BBA, said: "Personal credit demand continued to be buoyant in November."

At £947m, new lending to individuals was just over £200m below the previous month's record figure.

Kevin Darlington, UK economist at the brokers Hoare Govett, said: "It would appear that the personal sector is starting to borrow and spend again."

Other lending by the big

British banks was more subdued last month. An increase of £93m in lending to manufacturing, mainly in the transport, electrical engineering and food, drink and tobacco industries, was more than offset by a massive £719m repayment of loans by securities firms.

Their pattern of borrowing and repayments is highly erratic, so the underlying trend in bank lending was stronger than the total suggested.

Last month's repayment meant total new lending by banks and building societies dipped by £2bn to £3.4bn in November, to a level 8.2 per cent higher than a year earlier.

Some City economists said the lending figure was inflated by the fact that the Government had not funded all of its deficit through gilt sales last month. The public sector therefore accounted for £2.9bn of November's bank borrowing.

This suggests that some of the strength of lending could unwind in coming months.

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## Hanson lays axe to debt with £1.5bn US disposals



Gold mine: Lord Hanson's timber swap strikes it rich

TOM STEVENSON  
Deputy City Editor

Hanson took a big step towards its goal of raising £2bn from disposals yesterday, announcing the sale of Cavenham Forest Industries and a part-flotation of Suburban Propane, two of its largest US businesses, for a combined £1.5bn.

The deals will cut a swathe through group borrowings, expected to rise to £4.7bn once Hanson pays £2.5bn for Eastern Group, the regional electricity company it acquired earlier this year. Those debts would have represented 130 per cent

of shareholders' funds, a level Derek Bonham, chief executive, said recently would be aggressively reduced.

Mr Bonham said yesterday: "These disposals are part of our programme to concentrate on fewer, larger activities. Proceeds will be used to strengthen the balance sheet and invest in our existing major businesses."

Hanson is focused on chemicals, consumer goods, including tobacco, energy and building materials.

Attention now turns to the timing of Hanson's sale of its stake in the National Grid, which it has said it will unload

at some stage. That could raise over £400m, which would be boosted by the widely-tipped disposal of Seven Seas, the vitamin brand.

Hanson says it plans to sell about 62 per cent of Suburban Propane through a public offering of 18.75 million shares in the US's third-largest retail propane distributor. The offer, and a related debt issue, will raise about £500m for Hanson.

Cavenham Forest Industries, which owns and manages 1.75 million acres of prime US timberland and a substantial number of sawmills, is expected to raise a further £1bn. The ninth-

largest timberland owner in the US, Cavenham owns some of the world's most productive softwood-growing sites in Oregon, Washington, Louisiana and Mississippi.

Cavenham is being sold on after a dramatic improvement in its underlying performance. Since its acquisition, Cavenham's forest growth has exceeded harvest by 36 per cent and its margins and productivity have increased markedly.

Cavenham came into the group when Sir James Goldsmith swapped it for a stake in Newmont Mining, which Hanson gained through its 1989

takeover of Consolidated Gold Fields.

William Landuyt, chief executive of Hanson Industries, the conglomerate's US arm, said: "Having dramatically increased Cavenham's timber margins and brought its mills up to world-class productivity, these prime assets are now worth more to buyers with specific timber needs or adjacent forests."

The proposed Suburban deal sees Hanson retaining a 32 per cent stake in a new limited partnership designed to allow the company to expand by issuing new partnership units to acquire other propane distributors.

## France Telecom aims for 50% traffic boost

MATHEW HORSMAN  
Media Editor

France Telecom intends to build telephone traffic by nearly 50 per cent by 2000 and to outpace the competition following telecom liberalisation, according to the first public statements of its new chief executive, Michel Bon.

Speaking in Paris, Mr Bon said an emphasis on building out the company's mobile phone network, along with a greater focus on customers, would generate an additional 50 billion minutes of telephone use, rising to 170 billion within five years.

He said that the mobile network would grow to cover as many as 5 million users by the end of the decade, and a programme of investment and fresh hiring would be launched from early 1996.

He added that cost-cutting and lower basic rates could generate sales 25 per cent higher than currently, allowing the state-owned operator to expand even if it loses market share to newcomers after the market is fully deregulated in 1998.

The plans were part of a radical restructuring that would

make the giant company less hierarchical and more receptive to consumer demand, he said.

Lower prices, new products and competition would force the pace of change, Mr Bon said. Daily use of telephones in France is eight minutes, compared with 20 minutes in America.

"We must reduce this gap," he said, "and this is achievable - given that our standards of living are roughly comparable."

He warned, however, that the company would have to gain greater flexibility in its pricing regime if it was to safeguard its public service mandate.

Promising a phased investment plan to upgrade the network, Mr Bon said the development of a modern computer infrastructure for telephone services was crucial to his plans. He spent three months speaking to more than 1,000 France Telecom employees, and concluded that "our technical ability and innovative sense" were the company's greatest strengths.

Mr Bon was a compromise candidate for the France Telecom post, following disagreements between his predecessors and the French government.

STOCK MARKETS									
Index	Close	Day's change	Change (%)	1995 High	1995 Low	Yield (%)			
FTSE 100	3613.70	+36.80	+1.0	3580.40	2954.20	3.95			
FTSE 250	3960.10	+22.70	+0.6	3991.30	3300.90	3.68			
FTSE 350	1295.20	+16.60	+1.3	1321.50	931.00	3.89			
FT Small Cap	1926.91	+3.85	+0.2	1933.11	1678.61	3.45			
FT All Share	1769.30	+15.42	+0.9	1837.76	1469.23	3.86			
New York	5125.07	+15.13	+0.3	5207.44	3832.08	2.27			
Hong Kong	19448.90	+308.10	+1.6	19684.04	14485.41	0.781			
Frankfurt	2262.07	+26.45	+1.2	2317.01	1910.96	2.001			

Source: FT Information

INTEREST RATES									
Short sterling			UK medium gilt			US long bond			
Rate	1 Year	3 Month	Rate	1 Year	3 Month	Rate	1 Year	3 Month	30 Year
UK	6.50	6.31	7.51	6.48	7.86	8.46			
US	5.63	5.34	5.71	7.80	6.07	7.85			
Japan	0.31	0.36	1.68	1.52					
Germany	4.00	3.89	6.09	7.52	6.87				

\*Standard Bank

CURRENCIES									
£/\$			£/DM			\$/¥			
Rate	1 Year	3 Month	Rate	1 Year	3 Month	Rate	1 Year	3 Month	30 Year
£/\$	1.5380	-0.536	1.5697	£/DM	0.6502	+0.22	0.641		
\$/DM	1.5375	-0.606	1.542	\$/¥	0.6504	+0.25	0.649		
DM/£	2.2198	+0.440	2.4491	DM/£	1.4434	+0.790	1.5703		
¥/£	156.276	+0.131	156.23	¥/£	101.935	+0.265	100.17		
£ Index	82.9	unch	89.1	\$ Index	94.1	+0.1	96.6		

Other Indicators

Oil Brent \$ 18.35 +0.61 15.93 RPI 149.8+3.1pc 2.6 19 Jan

Gold \$ 387.80 +0.05 382.2 GDP 106.6 2.1pc 4.3 21 Dec

Gold £ 252.15 +0.89 245.061 Base Rates -0.50pc 5.25



# Unsackable should not mean unaccountable



The embarrassments of the last 10 days might have been avoided if there had been full disclosure of all the details of the lottery bids and Mr Davis's investigations had been conducted in full public view

As Virginia Bottomley has just discovered, it seems to be about as easy to remove one of Britain's regulators from office as it is to impeach an American president. At least two cabinet ministers, including Mrs Bottomley, have sought advice from civil servants and lawyers about whether sacking a regulator is within their powers. Each time they have been told that, short of a regulatory Watergate, they should not bother to try.

The joke of it is that Westminster sources have been suggesting that Mrs Bottomley refrained on political grounds from getting rid of Peter Davis, the lotteries regulator, because senior ministers persuaded her that a sacking would overshadow the success of the lottery. Mr Davis's terms of employment suggest a rather simpler explanation. The lotteries legislation says he can only be removed from office on the grounds of "incapacity or misbehaviour". The plain fact is that if she had sacked him and he had dug his heels in and gone to court, he might have won.

Mr Davis was foolish to accept free flights from Glencor against the advice of civil servants. But he certainly did not do it as a result of incapacity, and to prove in court that it was misbehaviour would be an uphill struggle. The word implies deliberate misconduct rather than incompetence or bad judgement. It would probably take more than acceptance of free flights to demonstrate misbehaviour.

So who was the other regulator whose minister asked for advice about whether

there could be a sacking? It was Professor Stephen Littlechild of Ofwat after his decision to reopen the electricity pricing review last spring. The same legal phrase - dismissal only on grounds of "incapacity or misbehaviour" - also protects other key regulators such as Don Cruickshank of Ofiel and Clare Spottiswoode of Ofgas.

The phrase appears in the legislation for a very good reason. It allows regulators to deliberate with the independence and freedom from interference of the judiciary. From an investors' point of view, it also protects privatised companies from arbitrary pressure from ministers, for example to reduce prices.

But checks and balances are missing. As well as being unsackable, regulators are pretty nearly unaccountable and their workings are far from transparent. There are difficulties with increasing accountability, either to Parliament or ministers, because it would undermine that treasured independence. The practical alternative, which would do just as much to increase the public confidence that is so clearly lacking, is a much increased level of openness.

The best example of how not to run a regulator is Mr Davis's own little empire at Ofwat, though the fault lies not so much with him as with the legal framework in which he operates. Camelot, the company he oversees, is a monopoly working under a licence from government to a contract awarded by the regulator. It is hard to see what harm could come of opening the books of Camelot

and Ofwat to all comers, yet Mr Davis operates in a ludicrously unnecessary atmosphere of secrecy, all justified by commercial confidentiality.

The embarrassments of the last 10 days might well have been avoided if there had been full disclosure of all the details of the original lottery bids, and if Mr Davis's investigations and negotiations had been conducted in full public view. This is a lesson for all Britain's army of regulators as well as a pointer to the need for urgent reform.

## Captain Oates defence will not help Forte

The High Court does not seem to have advanced things very much by ruling that the grandly named, and equally grandly staffed, Council of Forte, should decide for itself what to do about Granada's £3.3bn hostile takeover bid. In theory, the council can decide the outcome of the bid by exercising its powers which give it a tiny fraction of the company's capital more than 50 per cent of the voting rights. In practice it will find itself back in court if it does anything other than stand aside and let the main body of shareholders decide.

For other shareholders, the decision is becoming a more finely balanced one than it looked at the outset, when Forte's days as an independent company looked limited to the 60-day duration of a normal bid

timetable. Since then Forte has astonished all with its willingness to take on board quite radical break-up and restructuring proposals. It has also achieved some success in undermining Granada's case which, given the quality and expense of hidden advice, has on occasions been put forward in an alarmingly sloppy and ill-thought-out way.

Even so, there is little love lost between Forte and its main institutional shareholders, many of whom are still smarting all these years later over Lord Forte's decision to perpetuate the dynasty by appointing his own son as successor. One question for Sir Rocco, therefore, is whether he should further spice up the defence by sacrificing himself - the so-called Captain Oates defence whereby the top man hits the ejector button to save the rest ("I'm going out, I may be some time"). But however sure shareholders still feel about the manner of Sir Rocco's appointment, we are in truth past the time for tinkering around at the top. For better or for worse, Forte will have to stand or fall by Sir Rocco's record and his promise for the future.

## Misbehaving M4 causes concern

Goodhart's law states that if the government has a serious target for something, it is bound to miss it. The eponymous Professor Goodhart is now at the LSE but at the time he first made this observation he was with

the Bank of England. He drew up the law with reference to money supply targets in the early monetarist days of Thatcherism. The current broad measure of the money supply, M4, was devised to halt the embarrassment of missed forecasts in the mid-1980s, when existing monetary targets were spectacularly obeying Goodhart's law. It was the slowest-growing alternative the Treasury could find.

Judging by yesterday's figures, M4 is now behaving no better than its predecessors. It has breached its 3-9 per cent target, introduced in March 1993 when the previous target turned out to be too low. Those who think the economy is in a feeble state and in need of a series of base-rate cuts are inclined to dismiss M4's misbehaviour as largely irrelevant.

That is not a view shared by the authorities, however. Both the Chancellor and the Governor of the Bank of England have referred to rapid money supply growth as a cause for concern and a key inflationary indicator at their past three meetings.

And the money and lending figures do seem to demonstrate that there are areas of buoyancy in the economy. Furthermore, they appear to show that the housing market is reviving. Personal borrowing from the big banks last month also remained close to October's record. Yesterday's figures lend credibility to Mr Clarke's prediction that consumer spending will lead to a revival in growth in 1996 - and must put a question mark over the speed of future base rate cuts.

## \$1bn legal challenge to tobacco industry

TOM STEVENSON  
Deputy City Editor

The tobacco industry came under renewed attack in the US yesterday as the state of Massachusetts filed a \$1bn lawsuit against six giant cigarette companies, including British BAT. The state - where more than 10,000 citizens die each year from smoking-related diseases - is trying to recover the costs of treating diseases caused by the habit.

The suit makes Massachusetts the fifth US state to take on the tobacco industry. Its action is in addition to a well-financed class action representing all smokers addicted to nicotine which is pending in New Orleans.

Massachusetts has joined Mississippi, Minnesota, Florida and West Virginia in taking on the tobacco giants. Maryland has also promised to sue, while the big companies are suing Texas, which is considering an action.

The intensification of the acrimony between American government bodies and the industry has underlined the enormous stakes being played for in a business where volumes have grown by a quarter in the past 15 years despite declines in the mature markets of the West.

Scott Harshbarger, the state Attorney-General, said: "Today we say enough is enough. For too long, the wrong people have paid too much in staggering human and financial costs for a poisonous product peddled by tobacco giants through allegedly deceptive means."

The 75-page complaint he filed alleges that the tobacco industry conspired to mislead the public by denying that cigarettes cause cancer, by denying that they are addictive and by denying that the industry manipulates nicotine levels. The suit claims \$1bn of damages based on the amount of taxpayers' funds that the Commonwealth of Massachusetts has spent through Medicaid and other programmes to pay for smoking-related health-care costs. It also seeks court orders requiring the defendants to disclose their research on smoking, addiction and the health consequences of smoking.

"It is time to snuff out this deadly and deceptive conspiracy. It is time for the industry to be forced to tell the truth. It is time for cigarette companies to pay for the damage they have done," Mr Harshbarger said.

The case threatens to become a cause célèbre thanks to the involvement on the state's side of Harvard Law School Professor Laurence Tribe, a constitutional law expert who argued in the landmark Cipollone case before the Supreme Court, which established that some liability claims could go forward against the industry. He has argued in more than 20 cases before the court, winning most of them.

The defendants hit back at Massachusetts' claim, with RJ Reynolds counsel Daniel Donahue arguing: "They seek to bypass the traditional principle that the injured party should be the one to file suit and that someone who sues on their behalf is subject to the same arguments."

The tobacco industry has never paid damages or settled a tobacco liability claim, in part because plaintiffs' lawyers - who could only hope to recover damages for an individual after years in court - eventually gave up.

BAT's shares shrugged off the latest development, closing 10p higher at 554p.

Investment column, page 18

## Co-Op Bank finds a unusual angle on job creation in the North



Terry Thomas, managing director of Co-Op Bank, announcing the creation of 425 jobs to be based at one of Britain's most unusual buildings, the 'Stockport Pyramid' in Greater Manchester

## Ruling leaves Forte battle in air

MATHEW HORSMAN  
and JOHN SHEPHERD

One of the most contentious issues in the £3.3bn hostile bid by Granada for Forte was left hanging in the air last night, following a High Court ruling that the Council of Forte could make up its own mind about how to bid its 50 per cent voting stake.

According to the ruling, the council - which holds just 0.08 per cent of the shares but half the votes - can accept or reject the Granada offer, or it can step aside and let ordinary shareholders decide Forte's fate.

It was widely speculated, however, that the Takeover Panel would force the council onto the sidelines if it decided on anything but neutrality. Granada is planning to seek additional guidance from the panel.

Meanwhile, Forte yesterday strengthened its still-tenuous defence by announcing it had raised a net £108m from the sale of its US Travelodge hotel chain - just ahead of most expectations. The deal, which brings to



Sir Rocco Forte: Jockeying for position in the new year

£1.1bn the sum that Forte has raised from disposals, came as the troubled negotiations for the sale of the White Hart hotel chain failed to rekindle. Forte said the talks, which stalled when a financing partner in the purchasing group bowed out, would resume in the new year.

Analysts said Forte's refusal to accept a sharp reduction in the sale price of the White Hart chain was an encouraging sign that the company would not engage in a fire sale of assets.

Forte, headed by Sir Rocco Forte, trumpeted the sale of the Travelodge properties to HFS, the economy hotel franchising company, as proof it was managing the company effectively.

Granada responded that the disposal came after several years' of investment in the chain, and that the price might have been higher had Forte

waited. "This is not necessarily the best time to be selling these assets," an insider said. Analysts were likewise concerned that the White Hart sale was coming at a bad time.

"There are plenty of similar assets on the market," one analyst said.

The battle is expected to continue in the new year, with both sides jockeying for advantage. Analysts said yesterday that Granada would have to raise its initial offer to win. In addition, there were signs in the City of frustration with what one analyst called Granada's "sound bite" campaign. He claimed that the company did not provide adequate detail of its plans to cut up to £100m out of Forte's annual costs, and that it wrongly characterised Forte's cost structure.

Comment, above

## Carnaud bid faces final hurdle

RUSSELL HOTTEN

A takeover by America's Crown Cork & Seal of the Anglo-French company CarnaudMetalbox, creating the world's largest packaging company, is about to clear its final hurdles.

Shares in CarnaudMetalbox were suspended in Paris and London yesterday while the Bourse dealt with the necessary regulatory formalities for the \$2.2bn (£3.3bn) takeover.

A formal announcement of details of Crown Cork's plans, bringing together companies

with combined sales of \$10bn, is expected tomorrow. Crown Cork's shareholders approved the takeover on Tuesday.

The takeover has already been given the green light by the European Commission after the two sides agreed to sell five aerosol can factories. It is thought to be the biggest merger to come before the EC.

Europe's competition officials feared that the takeover would have distorted the tinplate market, giving the two companies a 60 per cent share within the Union, against a 20

per cent share held by its nearest rival.

After the takeover the group will have a market share of about 40 per cent in food cans. The nearest competitor will be Germany's Schmalbach-Lubeca, with about 20 per cent of the market.

Crown Cork is offering 1.086 "units" for each CarnaudMetalbox share. Each unit is made up of 0.75 Crown ordinary shares and 0.25 preferential shares, or Fr225 (£30) in cash.

Earlier this month Crown Cork shares fell sharply after a

profits warning, casting a cloud on the takeover plans. The company said its second-half earnings before charges would probably be under \$55m, against last year's \$121m. The company blamed rising raw material prices, especially aluminium.

During the summer CarnaudMetalbox issued its own profits warning and the chairman, Jurgen Hintz, announced his resignation a few weeks later. It is thought that Mr Hintz had strong objections to the Crown Cork deal.

already said that they are not likely to support a rescue rights issue with Mr Edwards still in the position of chairman and chief executive. The company has appointed head-hunters to look for a new chief executive.

Mr Edwards, though, is confident he retains the support of his bankers, led by NatWest, UBS and Banque Indosuez. Shares were suspended at 25p.

## Lloyd's names to fall by 15%

NIC CICUTTI

The number of Lloyd's names, who help to underwrite the beleaguered market's insurance activities, will plummet by almost 15 per cent to a new low of less than 13,000 next year.

The new figures, revealed by Lloyd's yesterday, compare with a high of almost 32,000 in 1988, before the market faced a wave of claims that have almost brought it to its knees.

Insurance underwriting capacity, the maximum amount of premium income the market can underwrite, will also dip from almost £10.2bn last year to about £9.85bn in 1996.

The shift towards corporate underwriting was given fresh emphasis by the announcement that individual members will contribute about £6.85bn, or 69 per cent, towards the amount. This compares with £7.8bn, or 77 per cent, the previous year, when just under 15,000 names were prepared to underwrite the market.

Corporate capacity, which is increasing from £2.36bn this

year to more than £3bn in 1996, is being provided by 165 members in 71 corporate member groups. New corporate members, 25 in all, have enough funds to underwrite £363m of capacity, while an extra £289m has been allocated to existing corporate members.

Despite the names' exodus, David Rowland, chairman of Lloyd's, declared himself satisfied with the new figures. "[They] clearly demonstrate the resilience of both the traditional membership and the established and new corporate members," he said.

"Corporate capacity at Lloyd's has now virtually doubled since it commenced underwriting in 1994. We take all this as a strong vote of confidence in Lloyd's at a time of radical change."

Mr Rowland said he also understood the reasons for a tail-off in underwriting capacity. "The allocated figures reflect the managing agents' views of this stage of the insurance cycle, when rates are under pressure in some areas," he said.

## Fighting talk from Coal Investments

DAVID HELLIER

Malcolm Edwards, chairman and chief executive of the struggling mining group Coal Investments, yesterday vowed that the company would survive despite losing the right to mine a coal face at Hem Heath colliery near Stoke-on-Trent.

"We will survive," Mr Edwards said. "We will be profitable from January, although

our cash flow will now be much lower," he added.

Privately the former British Coal director said yesterday that he had no intention of relinquishing his post as chairman. "I have a firm determination to see this thing through," he said.

Coal Investments asked for its shares to be suspended on Tuesday after Staffordshire County Council refused planning permission for the Rowhurst seam

at Hem Heath. The company was relying on the extra coal and revenue from the Hem Heath colliery to support a refinancing and its fourth equity issue early next year.

The company and the banks, which have instructed Arthur Andersen to give independent advice, have gone back to the drawing board to re-evaluate the basis of the rights issue.

Some institutions have

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## business

## THE INVESTMENT COLUMN

Edited by TOM STEVENSON

## Waiting for gold to glitter again

In the investment world there is nothing more than a stale bull justifying a disappointing performance with forecasts of imminent recovery. Gold bugs have been doing it for years, predicting a dramatic breakout in the bullion price since the early Eighties, when the metal briefly approached \$1,000 an ounce.

Since those heady days, when it looked as if the world economy was heading into simultaneous slump and hyper-inflation, the gold price has trended downwards or sideways, although there was a brief surge in 1993 when George Soros and James Goldsmith were reported to be big buyers.

It came to nothing and the price has been confined in a narrow range between \$350 and \$370 an ounce this year. Yet the World Gold Council confidently predicts that world demand will reach a record 3,250 tonnes this year, far in excess of new mine supply, leaving the market dependent on supplies of scrap gold and sales by central banks.

Another reason for optimism is the response of South African mining houses to an only marginally profitable year, which traditionally is to sell gold forward and borrow metal from central banks to meet their contracts. The bullion market went into a brief flurry recently when some central banks decided to scale down the amounts of gold they were willing to supply to the market to cover those sales.

But the most exciting event in the bullion market has been the recent forecast that the world's main monetary authorities will resume regular auctions of gold reserves. That could drive down the price by \$50, at which point, the theory goes, gold would be such a bargain that every woman in India would go out and buy another bangle, triggering the long-awaited surge in gold prices. It is hardly a flawless argument.

For UK private investors, if they buy that line, the main exposure to the gold market is not physical metal, coins, or even individual gold mining shares, but the six or eight specialist unit trusts that invest in gold mining shares and exploration stocks. Gold trusts are traditionally very volatile and pay only modest dividends. Over the last three years, however, they have outperformed most other funds.

Save & Prosper's Gold and Exploration Fund, for example, claims 30 per cent compound growth over three years. This year, however, gold funds have underperformed the market. S&P is down 8 per cent since the start of the year, and Old Mutual is in the

process of winding up its small Gold Trust. But hope springs eternal and over the next 12 months S&P's Gold and Exploration could outperform general trusts based on stock markets, which are looking increasingly fully valued.

## Litigation no threat to BAT

When a state such as Massachusetts threatens litigation against your company it is not something to be brushed aside lightly. Especially when it is the latest in a string of governments to try and recoup some of the enormous health-care costs inflicted by smoking.

If some of the statistics relating to the civil weed are to be believed, however, it will take more than a vague threat of legal action to unsettle BAT. Litigation risk is not a new phenomenon in the tobacco industry, particularly in the US, where there have been more than 400 product liability suits since the 1950s with no material success for the plaintiffs.

With its combination of tobacco's cash flow and financial services, the

company's position as one of Britain's top 10 businesses looks assured and its handsome yield remains highly attractive.

Whether you like it or not, the world market for cigarettes is growing as new markets make up for the decline in the mature regions where smoking is fast becoming a pariah activity.

A staggering 100 billion cigarettes are sold around the world every week, 5,300 billion a year. Since 1980, the number has grown by almost 1,000 billion. The scope for growth continues to be enormous, with Philip Morris and BAT controlling less than 25 per cent of the world market.

BAT sells about a tenth of the world's cigarettes, in almost 200 countries, with manufacturing operations in more than 50. And its presence is growing – a year ago it made what is seen to have been a well timed and sensibly priced acquisition of American Tobacco for US\$1.1bn. Along with Philip Morris, RJ Reynolds and Rothmans it is one of only four genuinely international manufacturers and has the stability of real geographical diversity.

Against this background it is perhaps hardly surprising that BAT's shares edged up 10p to 554p yesterday. On the

basis of pre-tax profits of £2.33bn in the year to December, the market consensus, the shares stand on a prospective price/earnings ratio of 12. More importantly, they yield 5.4 per cent and still look good value.

## Inchcape adds uncertainty

Inchcape's announcement that it is to float its Bain Hogg insurance subsidiary rather than sell it does not take the embattled car distributor far forward. A float has been the intention since the company bought the Hogg business last year to merge it with its Bain Clarksons business. A sale might have been tempting if the right offer had come along but it plainly hasn't.

Inchcape said yesterday that a number of proposals had been received but not at the £400m the company has planned its hopes on. That figure looks over-optimistic as most analysts value Bain at £240m-£260m.

Given the low ratings attached to insurance companies, the Bain flotation is unlikely to take place until 1997. So if anything yesterday's announcement adds uncertainty rather than removes it. It also makes a cut in the dividend more likely. The company must now concentrate on trying to restructure the group, which suffered a miserable year. With its Japanese car distributorship hampered by the high yen, the company's shares have slumped from around 430p at the beginning of the year to just 234p now, up 4p yesterday. The indignity was compounded when Inchcape was removed from the FT-SE 100 earlier this month.

The company is concentrating on a restructure that involves cost-cutting and the disposal of loss-making businesses. It is also trying to protect itself from the vagaries of the yen by building up its distribution of non-Japanese cars such as Jaguar and Volvo.

However, what Inchcape really needs to boost itself out of the mire is an improvement in external factors such as a weakening of the yen or a healthier European car market. Inchcape shareholders have been badly bruised by the company's dire performance this year, but with analysts forecasting profits of £140m this year (down from £228m) it could be a long haul. On a forward rating of 15, the shares are still not cheap.

## Simon Pincombe CITY DIARY

## Sir Rocco finds fortitude under London skies

This hostile takeover business really is most tiresome. Not only has the Granda bid for Forte played havoc with Sir Rocco's pleasant shooting. It has also done for the family Christmas holiday. Unlike last year (when the caterer learned of his ennoblement on a Caribbean island) Sir Rocco will be eschewing *la dolce vita* in favour of his London desk.

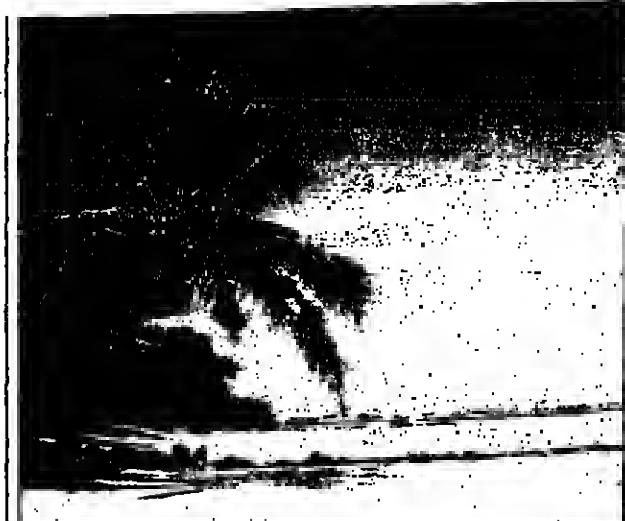
Not that he is complaining. No, Sir Rocco is now of the view that eight-eighths cloud cover is good for the constitution. And, he claims, he has not had so much fun in years. He is, to coin a phrase, a new man. Who wants to go to the West Indies when you can slug it out with Gerry Robinson over the fate of your inheritance?

The key to Sir Rocco's determination can probably be traced back to the day the £3.3bn bid was launched. The hotelier confesses to being deeply concerned about being caught on a pheasant shoot in Yorkshire when Gerry Robinson, the Granada marksman, let loose with both barrels. A Christmas break at Forte's £1,000-a-night Sandy Beach Hotel in Barbados is no way to convince wavering shareholders.

Sell, if Sir Rocco is looking for a Caribbean flavour to his Christmas be can always pop over to Mr Robinson's abode in Notting Hill Gate, home of the famous London carnival.

Iceland Frozen Foods is the unlikely vehicle chosen by Rupert Murdoch to reward his loyal minions. Staff at the Times have been told that their Christmas bonus has come in the form of a free turkey voucher. This has not

The November trade figures prove an early Christmas present for Ian Lang, President of the Board of Trade, who delights in the export effort. Apart from baguettes to France (*Diary passim*), we cleaned up by selling flower bulbs to the Netherlands (*Anglo Flora*), aquarium sand to Oman (*Pet Products*) and indoor ski slopes to Taiwan (*Acer Snowmex*).



Wish you were here? And miss the fun of a takeover bid?

gone down fantastically well with staff who have spent a fortune to qualify for the Tesco free Christmas turkey.

News filters through from the front in the never-ending war against musical piracy. That spineless organisation, the International Federation of the Phonographic Industry, concedes that it has ordered a tactical withdrawal from its Canton office in China on the grounds that staff had been threatened with instant loss of life.

"The situation there became untenable when we heard from reliable sources that hitmen had been contracted on behalf of certain CD factories to halt our operation," bleats the IFPI.

"This is not a shutdown. The IFPI will continue to provide support for the Chinese government's initiatives against piracy."

Suggestions that the IFPI has had about as much eff-

fect as the United Nations in Bosnia have not been appreciated. "The fight against piracy is always a dangerous one," insists Nic Garnett, director general of IFPI. "This is not the first time that we have had to halt operations in Asia. In the past threats in Taiwan and Thailand led to offices being closed."

Today's lesson is read by the bruiser Ken Harvey, chairman of Norweg. The combative executive is one of the captains of industry who have been persuaded to dispense pearls of wisdom to 18-year-old school-leavers.

Borrowing from Mark Twain, Mr Harvey writes: "When I was 18 my parents were so ignorant I could hardly bear to have them around. But when I got to be 25 I was astonished to learn how much they had learned in seven years."

Yes yes. But what of the hurly-burly of corporate culture? "Be nice to people you pass on the way up," reflects Mr Harvey (whose company is now under the control of North West Water). "You might meet them again on the way down."

## Cala shares rocked by warning

NIGEL COPE

The weak housing market and tough trading on the high street forced two more companies to issue profits warnings yesterday. Claremont Garments, the textile group that makes lingerie and outerwear for Marks & Spencer, said its pre-tax profits for this year were likely to be the same as last year. The warning follows similarly downbeat announcements yesterday from

Courtaulds Textiles and Coats Viyella, the textiles group that also owns the Jaeger fashion stores.

Shares in Cala Homes fell from 111p to 87p when it said it would not reach its profits forecast this year. It said the housing market had been weak since the company's year-end in October. Visitor levels and sales reservations had been particularly low in the South-east. Reservations had been better in

Scotland and the Midlands but the fragility of the market had forced the company to cut prices and use incentives to boost sales. Margins had fallen as a result.

Profits from land sales and property lettings are expected to fall over subsequent years, the company said.

"We do not anticipate any fundamental improvement in the market in the short term but would expect the usual seasonal

spring upturn," the company said. The builder's "best estimate" of this year's profits is around £4.1m, similar to last year's levels. It expects to maintain the dividend at 3.2p.

Claremont Garments blamed fragile consumer confidence and the warm autumn weather for a difficult environment. These factors damaged sales until mid-November when the weather turned colder. The shares were unchanged at 270p.

## Flexibility or credibility – that's the monetary policy question

## ECONOMIC VIEW

DIANE COYLE



Last week's cut in base rates turned out to herald pre-Christmas reductions in the cost of borrowing in Europe and the US. But the decision to kick off here revealed exactly what is wrong with British economic policy. It is what has always been wrong with it – the inability to resist the temptation to meddle.

Fine-tuning, as economists prefer to call it, has been the source of most of our past mistakes in economic policy. We are making the same mistakes again – although thanks to Kenneth Clarke's lucky streak, we are making them in a sunnier economic climate of low inflation and reasonable growth.

The result will be the same lacklustre performance as in

Politicians in the UK have failed to stick to hands-off policies

the past. Britain will continue to suffer a chronically sinking currency, higher average inflation and lower and more variable growth than our main competitors. As the table shows, our relative economic performance is dismal, even including the peak of the most recent recovery.

British politicians over the decades have failed to stick to hands-off policies even when they proclaimed the importance of doing so. Monetarism was tried and abandoned. Membership of the ERM lasted just less than two years, and ended in ignominy. The rules of engagement the Government brought in to restore the credibility of economic policy after that episode are now also falling into tatters.

The rules are that the Chancellor and Governor of the Bank of England discuss a range of indicators at their meeting every month, the Chancellor reaches a decision about interest rates after the meeting, and the minutes are published six weeks later.

The aim of policy is to keep underlying inflation within a 1-4 per cent range and less than 2.5 per cent on average over a two-year horizon.

Three types of indicator of inflation two years hence are

considered: indicators of financial conditions, the real economy, and costs. The real economy has certainly slowed – although most forecasters predict that it will pick up again. Inflation itself remains low, although above target.

Almost all the other indicators are buoyant – especially the monetary ones, the bellwether of policy a decade ago. New figures published yesterday showed bank and building society lending growing by more than 8 per cent year-on-year, while broad money growth popped above the top of its target range.

The evidence on inflation prospects is therefore mixed. Mr Clarke admitted as much by cutting only a quarter point from base rates yesterday. It is not just one or two indicators that are misbehaving, but about half of the list.

It is difficult to imagine that the German Bundesbank would be in a rush to cut interest rates in these circumstances. The trouble is – as two researchers at the Institute for Public Policy Research point out in a recent book – that the Chancellor bases policy on an estimate of what inflation will be in the future. This lets fine-tuning in by the back door.

Having to use a forecast makes setting interest rates entirely a question of judgement. Mr Clarke's guess about inflation in two years' time is as good as anybody's.

As the authors, Gerald Holtham and Dan Corry, put it, the problem with the current in-

flation target is its "futuristic" interpretation. "The Government could ignore current inflation as irrelevant to its purposes and, since anyone can forecast what they like, set current policy how it likes."

Making monetary policy a matter of judgement – and a politician's judgement at that – brings its problems. Sometimes it does make sense for the Government to react flexibly to changes in the pace of economic growth or in the external environment, when sticking to a policy rule would prevent it. Sometimes flexibility and judgement do lead to a better outcome for the economy.

But generally leaving policy-makers free to exercise their judgement leads to the steady upward drift of inflation, as at any time there seems no harm in a small increase in inflation from where it is now. There is a trade-off between the flexibility to adjust policy and the general anti-inflationary credibility of policy.

What's more, the stronger the anti-inflationary credibility of the authorities, the more effectively they will be able to intervene on growth when the need arises.

The two IPPR authors wrongly dismiss the importance of credibility as a practical matter, arguing that inflation has more to do with world trends than individual countries' policies. They overlook the penalties that financial markets impose on countries with unsustainable policies. These can be a sharp fall in the

exchange rate or a sharp rise in the government's borrowing costs – neither at all trivial.

It is also clear that Britain starts from a low-credibility base. The markets put sterling assets in the same risk league as those of Italy and Spain. Beefing up our anti-inflationary credibility would help prevent further falls in the exchange rate and cut the amount of interest the Government has to pay on its debt.

There is by now pretty compelling evidence that countries which give up governmental discretion over monetary policy, through an effectively independent central bank with low inflation as top priority, do indeed get low inflation. This evidence is surveyed in a new book by a Bank of England

The arguments against tinkering with rates are overwhelming

economist, Eric Schaling, who also finds that independent central banks do not cause recessions.

There is no evidence that central bank independence, by limiting the policy reaction to the strength or weakness of the economy, makes for a more violent business cycle. He writes: "The establishment of central bank independence is a free lunch."

A Bank of England man would say that. Even so, the arguments for leaving well alone rather than tinkering with interest rates are overwhelming. The best the Chancellor can do is get them about right and then leave them.

Apart from anything else, half-point changes in base rates have virtually no effect on the economy's rate of growth. It takes a change of three or more percentage points to have any noticeable impact. Mr Clarke is not so confident in his judgement that he has won victory over inflation to have given us 3.5 per cent base rates as a Christmas present.

\* Growth with Stability, Dan Corry and Gerald Holtham, IPPR.  
† Institutions and Monetary Policy, Eric Schaling, Edward Elgar.

## Economic comparisons 1976-94

	average GDP growth, %	Variability of GDP growth*	Inflation rate %
United States	2.5	4.0	5.5
Japan	3.6	2.6	3.2
W.Germany	2.3	2.9	3.2
France	2.1	1.9	6.6
Italy	2.3	3.2	10.7
UK	2.0	4.5	8.0
Canada	2.6	6.0	5.9

\*higher figure means more volatile business cycle

Source: OECD

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## IN BRIEF

## Zantac wins over-the-counter clearance

Glaxo Wellcome, the pharmaceuticals group, has won regulatory approval for its non-prescription version of Zantac, its anti-heartburn treatment. The clearance opens up a new market for Zantac, competing with rival treatments such as Pepcid, produced by Merck, and Tagamet, from Smith-Kline Beecham.

Glaxo will market the drug in its lower-dosage Zantac 75 form. Zantac, which is the world's biggest-selling prescription medicine and is used in the treatment of ulcers, should be available in the US early next year. It will be sold through Warner Lambert, Glaxo Wellcome's US joint venture. The announcement comes a day after Glaxo announced it was selling its half-share in Warner Wellcome, the group that markets cough and cold cures such as Actifed. Warner Lambert is paying £682m for the share.

## Enterprise makes North Sea discovery

Enterprise Oil has announced a significant oil discovery in the Danish sector of the North Sea. Preliminary estimates indicate that this may be the largest Danish oil find for nearly 20 years.

## Engineering group buys rival for £7.5m

Thomas Locker, the engineering group, is acquiring a rival metals company, Pentre, in a deal worth £7.5m. Pentre is based in Warrington and specialises in the manufacture of drums and reels for the cable industry. In the nine months to September Pentre recorded pre-tax profits of £1.2m on sales of £20m. Thomas Locker has annual sales of £30m and achieved profits of £750,000 in the six months to November. The company said that it needed to expand significantly if it was to safeguard its future prospects.

## Astra in research link with US group

Astra, the Swedish drugs group, has signed a research agreement with an American group, Millennium Pharmaceuticals of Massachusetts. The link-up aims to develop a new generation of drugs for the treatment of respiratory diseases such as asthma and bronchitis. The research will be financed by Astra for five years. In addition, Astra will pay certain rights and royalties based on anticipated research results.

## Electric and General boosts asset value

Electric and General Investment Company has increased its net asset value by 11.3 per cent in the six months to November. The company said interest rate cuts had boosted equity prices, with technology companies leading the way. The trust is paying an interim dividend of 1.7p compared with 1.6p last year.

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
Arrol-Johnston (P)	0.61m (11.2m)	0.01m (0.24m)	0.1p (4.5p)	0.75p (1)
Jefferies Brothers (P)	15.2m (11.2m)	1.25m (0.90m)	14.3p (11.5p)	6.35p
London (P)	17.1m (13.8m)	0.35m (0.34m)	1.75p (4.2p)	1p (1p)
George Wimpey (P)	4.0m (2.95m)	0.45m (0.05m)	-1.1	nil (nil)

(P) - Profit (Q) - Income (M) - New records

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## market report/shares

TAKING STOCK

## DATA BANK

FT-SE 100  
3,613.7 + 36.8FT-SE 250  
3,960.1 + 22.7FT-SE 350  
1,795.2 + 16.6SEAQ VOLUME  
894m shares

27,440 bargains

Gilt Index  
96.65 + 0.12

## SHARE SPOTLIGHT

Stagecoach

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## Renewed US cheer sweeps away the Christmas blues



## MARKET REPORT

## DEREK PAIN

Stock market reporter of the year

American investors came to the rescue of the stock market, sweeping away the uncharacteristic Christmas-week blues.

New York's sudden strength, following the interest rate cut, was enough to boost the FT-SE 100 index 36.8 points to 3,613.7 and rekindle hopes of another round of traditional festive action.

Many of the old takeover favourites were back in demand with insurers particularly strong. General Accident led the pack, up 28p at 651p.

And, intriguing many for the second day running, was British Gas, out of the cold with the shares closing at 250p, up 10.5p, after 253.5p.

Takeover rumours persisted with British Petroleum and Shell still whispered as the likely predators.

The recent cold spell, the increasing price of gas in the US and the appointment of merchant banker Kenneth Gar-

denier to try to resolve the problems of the take-or-pay gas contracts, were among other factors cited for the advance.

British Gas was easily the busiest traded share of the day with Seaq putting volume at 33.8 million.

National Power, reflecting its 57 million-share buy-back, gained 18p to 447p and General Electric Co, up 11.5p at 328.5p, was helped by talk of a Hong Kong contract.

Oil was strong with British Petroleum up 10p at 520p. Enterprise Oil, 11p higher at 389p, was encouraged by a Danish oil strike.

Drugs were mostly firmer with Glaxo Wellcome, up 8p at 886p, helped by approval from the US Food and Drug Administration for over-the-counter sales of Zantac.

The rapidly growing American stomach remedies market, where SmithKline Beecham is already a player, is said to be

worth more than \$1.1bn a year.

Celltech edged ahead 3p to 579p with avid follower Dr Erling Refsum of Yamaichi suggesting an underlying value of 840p and a target of 750p for the end of next year.

Anagen jumped 19p to 76p as the FDA cleared an assay to measure testosterone.

Smith & Nephew was back in the takeover frame as Johnson & Johnson, the US giant often linked with the health-care group, was reported to have said at a New York presentation that it was looking aggressively for acquisitions.

Stagecoach, following its British Rail franchise success,

progressed a further 22p to 315p, a peak. The shares were 197p in May. UBS rates them a buy and has lifted forecasts.

Tesco gave up 5.5p to 285.5p as ABN Amro Hoare Govett was said to be responsible for a big switch into rivals Asda, up 4.75p to 108.25p.

Cadbury Schweppes was lowered 6p to 524p as NatWest Securities cut next year's forecast from £64.2m to £62.2m.

Kleinwort Benson reduced this year's estimate from £571m to £556m.

Royal Bank of Scotland, last week's hot speculative stock, fell 4p to 664p as those banking on a bid were jolted by the disclosure that Lord

Younger of Prestwick, chairman, sold 40,000 shares at 563p.

SBP Warburg suggested a switch out of Barclays, off 9p at 742p, into National Westminster Bank, up 3p at 652p.

Hanson, planning to raise £1.5bn through US sales, gained 4.5p to 189p and Inchcape, aiming to float its Bain Hogg insurance broking division, rose 4p to 234p.

Vodafone was the best-performing blue chip. It was helped on Tuesday by director-buying and gained a further 12.5p to 223.5p with Lehman Brothers offering support.

Rockit & Colman gained 9p to 697p following a Barclays de Zoete Wedd visit.

Airtours, the packaged holiday group, rose 8p to 375p. The shares have climbed from 309p this month, largely on relief over the group's profit performance.

But takeover talk persists.

Carnival Corporation, the US cruise line, is said to be looking closely. It could be interested in capturing the UK's second-largest holiday business or may merely have its sights on its growing cruise side.

The day's two profit warnings left housebuilder Cala 24p lower at 87p, but Claremont Garments was unchanged at 270p. The company is an obvious casualty of the long, hot summer.

Bardon, the aggregates group, was again badly traded, with volume put at almost 6.9 million; the price was little changed at 32.5p.

Groupe Chex Gerard, up 9p at 217p, is riding a peak and attracting takeover speculation. The shares came to market at 112.5p in March last year.

Crown Products, the games group, returned to AIM after two acquisitions, at 57p, up from a 45p suspension.

Stanford Rook, a high-flying AIM share that started life on the defunct 4.2 market, climbed 37p to 225p as it announced plans to place 875,000 shares in 200p. The company is developing a TB vaccine. Like most fledgling drug shares Stanford has yet to get near to making profits; it lost £273,000 in the six months to June. Since arriving on AIM in July the shares have been as low as 100p.

Continental Foods, the children's snack food group which in a complicated deal is taking over the D&S snack business for nearly £10m, gained 9p to 81p. There is talk house stockbroker, Henderson Crosthwaite, is preparing a bullish circular. Interim results are due next month. Last year Continental produced £1.1m and the current forecast for this year is £2.2m.

## SHARE PRICE DATA

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: *W* = right of first refusal; *E* = listed on Euronext; *U* = listed on Unlisted Securities Market; *S* = suspended from Parly Paid on Nil Paid Shares.

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## MARKET LEADERS: TOP 20 VOLUMES

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
British Gas	38,000	£10,000	NatWest Bank	12,000	£1,200	British Petroleum	10,000	£1,000	Shell	8,000	£800
BT	20,000	£2,000	Barclays	10,000	£1,000	HSBC	8,000	£800	Deutsche Bank	6,000	£600
Hanson	12,000	£1,200	First National	8,000	£800	Bank of Scotland	6,000	£600	Yorkshire Bank	4,000	£400
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600	Primark	4,000	£400
Unilever PLC	10,000	£1,000	Unilever PLC	10,000	£1,000	Unilever PLC	10,000	£1,000	Unilever PLC	10,000	£1,000

## FT-SE 100 INDEX HOUR BY HOUR

Open	Close	High	Low	Open	Close	High	Low
09.00 3607.0 up 30.1	11.00 3606.7 up 29.8	14.00 3612.7 up 35.8					
09.30 3607.5 up 29.8	11.30 3606.5 up 29.8	15.00 3610.6 up 33.7					
10.00 3607.5 up 29.8	12.00 3605.5 up 29.6	16.00 3612.2 up 35.3					
10.30 3607.5 up 29.8	13.00 3605.2 up 29.6	16.30 3613.1 up 36.3					

## RETAILERS, FOOD

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600
Unilever PLC	10,000	£1,000	Unilever PLC	10,000	£1,000	Unilever PLC	10,000	£1,000

## RETAILERS, GENERAL

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## TEXTILES &amp; APPAREL

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## TOBACCO

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## TRANSPORT

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## SPIRITS, WINES &amp; CIDERS

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## SUPPORT SERVICES

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## WATER

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## RIGHTS ISSUES

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## RECENT ISSUES

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## INDEX LINKED

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## SHORTS

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## MEDIUMS

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## LONGS

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600

## UNDATED

Stock	Vol	Value	Stock	Vol	Value	Stock	Vol	Value
ASDA Group	10,000	£1,000	Woolworth	8,000	£800	Next	6,000	£600



Foreign Exchange Rates

STERLING			COUNTRY			DOLLAR			D-MARK		
Country	Spot	1 month	3 months	Country	Spot	1 month	3 months	Country	Spot	1 month	3 months
US	1.5380	91.0	32.29	UK	1.002	1.1	7.6	0.5212			
Canada	2.1508	14.1	44.13	Canada	1.3397	1.1	7.6	0.5212			
Germany	2.2189	40.42	143.43	Germany	1.3397	1.1	7.6	0.5212			
France	65.92	48.91	159.91	France	1.3397	1.1	7.6	0.5212			
Japan	227.77	77.92	232.23	Japan	1.3397	1.1	7.6	0.5212			
Italy	196.78	98.81	227.21	Italy	1.3397	1.1	7.6	0.5212			
Spain	165.96	82.98	215.96	Spain	1.3397	1.1	7.6	0.5212			
Sweden	10.70	10.70	31.25	Sweden	1.3397	1.1	7.6	0.5212			
Denmark	6.6529	13.36	33.34	Denmark	1.3397	1.1	7.6	0.5212			
Netherlands	2.0452	63.34	17.36	Netherlands	1.3397	1.1	7.6	0.5212			
Ireland	0.7836	13.34	33.34	Ireland	1.3397	1.1	7.6	0.5212			
Belgium	35.9275	127.75	334.26	Belgium	1.3397	1.1	7.6	0.5212			
Portugal	20.52	63.34	17.36	Portugal	1.3397	1.1	7.6	0.5212			
Greece	35.9275	127.75	334.26	Greece	1.3397	1.1	7.6	0.5212			
Switzerland	1.4834	63.34	17.36	Switzerland	1.3397	1.1	7.6	0.5212			
South Africa	1.5380	91.0	32.29	South Africa	1.3397	1.1	7.6	0.5212			
India	1.5380	91.0	32.29	India	1.3397	1.1	7.6	0.5212			
China	1.5380	91.0	32.29	China	1.3397	1.1	7.6	0.5212			
Japan	1.5380	91.0	32.29	Japan	1.3397	1.1	7.6	0.5212			
South Korea	1.5380	91.0	32.29	South Korea	1.3397	1.1	7.6	0.5212			
Philippines	1.5380	91.0	32.29	Philippines	1.3397	1.1	7.6	0.5212			
Indonesia	1.5380	91.0	32.29	Indonesia	1.3397	1.1	7.6	0.5212			
Malaysia	1.5380	91.0	32.29	Malaysia	1.3397	1.1	7.6	0.5212			
Singapore	1.5380	91.0	32.29	Singapore	1.3397	1.1	7.6	0.5212			
Thailand	1.5380	91.0	32.29	Thailand	1.3397	1.1	7.6	0.5212			
Brunei	1.5380	91.0	32.29	Brunei	1.3397	1.1	7.6	0.5212			
Myanmar	1.5380	91.0	32.29	Myanmar	1.3397	1.1	7.6	0.5212			
Laos	1.5380	91.0	32.29	Laos	1.3397	1.1	7.6	0.5212			
Vietnam	1.5380	91.0	32.29	Vietnam	1.3397	1.1	7.6	0.5212			
Cambodia	1.5380	91.0	32.29	Cambodia	1.3397	1.1	7.6	0.5212			
Timor	1.5380	91.0	32.29	Timor	1.3397	1.1	7.6	0.5212			
East Timor	1.5380	91.0	32.29	East Timor	1.3397	1.1	7.6	0.5212			
West Bank	1.5380	91.0	32.29	West Bank	1.3397	1.1	7.6	0.5212			
Gaza Strip	1.5380	91.0	32.29	Gaza Strip	1.3397	1.1	7.6	0.5212			
Jerusalem	1.5380	91.0	32.29	Jerusalem	1.3397	1.1	7.6	0.5212			
Hebron	1.5380	91.0	32.29	Hebron	1.3397	1.1	7.6	0.5212			
Nablus	1.5380	91.0	32.29	Nablus	1.3397	1.1	7.6	0.5212			
Tulkarm	1.5380	91.0	32.29	Tulkarm	1.3397	1.1	7.6	0.5212			
Ramallah	1.5380	91.0	32.29	Ramallah	1.3397	1.1	7.6	0.5212			
Bethlehem	1.5380	91.0	32.29	Bethlehem	1.3397	1.1	7.6	0.5212			
Jericho	1.5380	91.0	32.29	Jericho	1.3397	1.1	7.6	0.5212			
Qalqilya	1.5380	91.0	32.29	Qalqilya	1.3397	1.1	7.6	0.5212			
Nazareth	1.5380	91.0	32.29	Nazareth	1.3397	1.1	7.6	0.5212			

Notes: Forward rates quoted here to New York are on a discount basis; rates for other cities are on a premium basis. All rates are for 100 units of foreign currency. For the most recent exchange rates call 1-800-123-3333. Call toll-free 24 hours a day, 7 days a week.

Tourist Rates

A-Basis			B-Basis			C-Basis		
Country	Rate	Notes	Country	Rate	Notes	Country	Rate	Notes
Australia/Dollars	2.0500	Forward/Spot	France/Francs	2.0500	Forward/Spot	Italy/Lira	2.0500	Forward/Spot
Belgium/Francs	4.2500	Forward/Spot	Germany/Dollars	2.0500	Forward/Spot	Japan/Yen	2.0500	Forward/Spot
Canada/Dollars	2.0500	Forward/Spot	Hong Kong/Dollars	2.0500	Forward/Spot	Netherlands/Guilder	2.0500	Forward/Spot
Denmark/Kroner	6.3000	Forward/Spot	India/Rupee	2.0500	Forward/Spot	Portugal/Escudo	2.0500	Forward/Spot
Holland/Guilder	2.0500	Forward/Spot	Japan/Yen	2.0500	Forward/Spot	Spain/Peseta	2.0500	Forward/Spot
Italy/Lira	2.0500	Forward/Spot	South Africa/Rand	2.0500	Forward/Spot	Sweden/Krona	2.0500	Forward/Spot
Japan/Yen	2.0500	Forward/Spot	Switzerland/Franc	2.0500	Forward/Spot	UK/Pound	2.0500	Forward/Spot
Netherlands/Guilder	2.0500	Forward/Spot	US/Dollar	2.0500	Forward/Spot			

Interest Rates

Country	Rate	Country	Rate	Country	Rate
UK	5.50%	Germany	3.00%	US	5.50%
France	5.50%	Denmark	5.50%	Japan	5.50%
Sweden	4.75%	Canada	5.50%	Belgium	5.50%
Switzerland	4.75%	Netherlands	5.50%	Portugal	5.50%
Australia	5.50%	South Africa	5.50%	Spain	5.50%
New Zealand	5.50%	India	5.50%	Italy	5.50%
China	5.50%	Japan	5.50%	South Korea	5.50%
Philippines	5.50%	Indonesia	5.50%	Malaysia	5.50%
Singapore	5.50%	Thailand	5.50%	Brunei	5.50%
Myanmar	5.50%	Laos	5.50%	Vietnam	5.50%
Cambodia	5.50%	Timor	5.50%	East Timor	5.50%
West Bank	5.50%	Gaza Strip	5.50%	Jerusalem	5.50%
Hebron	5.50%	Nablus	5.50%	Tulkarm	5.50%
Ramallah	5.50%	Bethlehem	5.50%	Jericho	5.50%
Qalqilya	5.50%	Nazareth	5.50%		

Bond Yields

Country	Rate	Country	Rate	Country	Rate
UK	5.50%	Germany	3.00%	US	5.50%
France	5.50%	Denmark	5.50%	Japan	5.50%
Sweden	4.75%	Canada	5.50%	Belgium	5.50%
Switzerland	4.75%	Netherlands	5.50%	Portugal	5.50%
Australia	5.50%	South Africa	5.50%	Spain	5.50%
New Zealand	5.50%	India	5.50%	Italy	5.50%
China	5.50%	Japan	5.50%	South Korea	5.50%
Philippines	5.50%	Indonesia	5.50%	Malaysia	5.50%
Singapore	5.50%	Thailand	5.50%	Brunei	5.50%
Myanmar	5.50%	Laos	5.50%	Vietnam	5.50%
Cambodia	5.50%	Timor	5.50%	East Timor	5.50%
West Bank	5.50%	Gaza Strip	5.50%	Jerusalem	5.50%
Hebron	5.50%	Nablus	5.50%	Tulkarm	5.50%
Ramallah	5.50%	Bethlehem	5.50%	Jericho	5.50%
Qalqilya	5.50%	Nazareth	5.50%		

Money Market Rates

Country	Rate	Country	Rate	Country	Rate
UK	5.50%	Germany	3.00%	US	5.50%
France	5.50%	Denmark	5.50%	Japan	5.50%
Sweden	4.75%	Canada	5.50%	Belgium	5.50%
Switzerland	4.75%	Netherlands	5.50%	Portugal	5.50%
Australia	5.50%	South Africa	5.50%	Spain	5.50%
New Zealand	5.50%	India	5.50%	Italy	5.50%
China	5.50%	Japan	5.50%	South Korea	5.50%
Philippines	5.50%	Indonesia	5.50%	Malaysia	5.50%
Singapore	5.50%	Thailand	5.50%	Brunei	5.50%
Myanmar	5.50%	Laos	5.50%	Vietnam	5.50%
Cambodia	5.50%	Timor	5.50%	East Timor	5.50%
West Bank	5.50%	Gaza Strip	5.50%	Jerusalem	5.50%
Hebron	5.50%	Nablus	5.50%	Tulkarm	5.50%
Ramallah	5.50%	Bethlehem	5.50%	Jericho	5.50%
Qalqilya	5.50%	Nazareth	5.50%		

Liffe Financial Futures

Contract	Settlement Price	High/Low for Day	Est/Cont	Open Interest
Long Oil	10.12	10.12	10.12	3000
Short Oil	10.12	10.12	10.12	3000
Long Gold	10.12	10.12	10.12	3000
Short Gold	10.12	10.12	10.12	3000
Long Silver	10.12	10.12	10.12	3000
Short Silver	10.12	10.12	10.12	3000
Long Copper	10.12	10.12	10.12	3000
Short Copper	10.12	10.12	10.12	3000
Long Aluminum	10.12	10.12	10.12	3000
Short Aluminum	10.12	10.12	10.12	3000
Long Soybean	10.12	10.12	10.12	3000
Short Soybean	10.12	10.12	10.12	3000
Long Corn	10.12	10.12	10.12	3000
Short Corn	10.12	10.12	10.12	3000
Long Wheat	10.12	10.12	10.12	3000
Short Wheat	10.12	10.12	10.12	3000
Long Natural Gas	10.12	10.12	10.12	3000
Short Natural Gas	10.12	10.12	10.12	3000
Long Heating Oil	10.12	10.12	10.12	3000
Short Heating Oil	10.12	10.12	10.12	3000
Long Crude Oil	10.12	10.12	10.12	3000
Short Crude Oil	10.12	10.12	10.12	3000
Long Euro Stoxx 50	10.12	10.12	10.12	3000
Short Euro Stoxx 50	10.12	10.12	10.12	3000
Long Nikkei 225	10.12	10.12	10.12	3000
Short Nikkei 225	10.12	10.12	10.12	3000
Long Hang Seng	10.12	10.12	10.12	3000
Short Hang Seng	10.12	10.12	10.12	3000
Long ASX 200	10.12	10.12	10.12	3000
Short ASX 200	10.12	10.12	10.12	3000
Long DAX	10.12	10.12	10.12	3000
Short DAX	10.12	10.12	10.12	3000
Long CAC 40	10.12	10.12	10.12	3000
Short CAC 40	10.12	10.12	10.12	3000
Long FTSE 100	10.12	10.12	10.12	3000
Short FTSE 100	10.12	10.12	10.12	3000
Long Nikkei 225	10.12	10.12	10.12	3000
Short Nikkei 225	10.12	10.12	10.12	3000
Long Hang Seng	10.12	10.12	10.12	3000
Short Hang Seng	10.12	10.12	10.12	3000
Long ASX 200	10.12	10.12	10.12	3000
Short ASX 200	10.12	10.12	10.12	3000
Long DAX	10.12	10.12	10.12	3000
Short DAX	10.12	10.12	10.12	3000
Long CAC 40	10.12	10.12	10.12	3000
Short CAC 40	10.12	10.12	10.12	3000
Long FTSE 100	10.12	10.12	10.12	3000
Short FTSE 100	10.12	10.12	10.12	3000

Liffe FT-SE Index Option

Settlement Price	3512.00	3512.00	3512.00	3512.00	3512.00
Contract	Settlement Price	High/Low for Day	Est/Cont	Open Interest	Settlement Price
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00
Short	3512.00	3512.00	3512.00	3512.00	3512.00
Long	3512.00	3512.00	3512.00	3512.00	3512.00







## sport

## TV's power behind the screens

The demands of television have left their mark across the sporting spectrum. They now threaten to take over completely

## Football

Guy Hodgson

Football is the jewel in televised sport and as such it has tended to be treasured rather than tampered with. Figures may bear no relation to the Saturday-Tuesday-Wednesday format of former years but, beyond that, the rules have remained largely out of reach of TV executives.

Indeed, if the small box has had an effect on the regulators, it has been in an abstract rather than a concrete sense. Ideas have been floated such as larger goals and games of four quarters rather than two halves, but the energy behind these proposals has come from within football rather than from outside.

Fifa, world football's governing body, with an eye to the massive market in the United States, has seriously wondered about the entertainment value of its product, and such innovations as the new back-pass and offside laws have been made with half an eye on how the game would be perceived in living rooms. Yet no one has suggested that television lobbied for these changes.

The main difference to the man in the stand - apart from the infuriating TV lorry on the sidelines holding up kick-offs - has been when matches are being played and at what time. Few non-armchair watchers

appreciate the 4pm Sunday kick-off and you can barely get a printable word from Blackburn Rovers and Manchester City supporters about the 8pm start for their Boxing Day meeting.

Those times are unsuitable, and Fifa's frequent willingness to flick channels at television's behest was potentially dangerous during the last World Cup. Having footballers play in Florida's midday heat last year to catch Europe's evening audience could have had consequences beyond dehydration and sun-stroke.

The decision of Uefa, European football's governing body, to spread European games from the traditional Wednesday has also had a knock-on effect. Everton, whose Cup-Winners Cup matches were on Thursday nights, did not play a game at Goodison Park on a Saturday from 9 September to 25 November. Seven home matches were played during that period.

A less tangible change is the effect television has on support. Youngsters now have more opportunity to watch Manchester United, Liverpool and Newcastle United in their homes than they have of seeing local heroes in the flesh. The umbilical cord between clubs and their communities is being broken.

## Motor racing

David Tremayne

Motor racing was once a sport that was occasionally televised. Now it is more a televised sport that is motorised. Television is everything where return per dollar invested is the bottom line for the sponsors who pour in millions every season.

Under the auspices of Bernie Ecclestone, the vice president of marketing for the governing body, the FIA, and president of Foca, which allocates world television rights, Formula One blossomed dramatically and team owners grew rich. Ecclestone made little secret of the fact that trackside spectators were small beer compared to skyrocketing global viewing figures.

Then the tragic San Marino Grand Prix last year, when Ayrton Senna suffered his fatal crash, forced a greater consciousness of motor sport's image. At the Monaco Grand Prix which followed, the FIA president, Max Mosley, acted quickly to stem mounting disquiet among normally placid spectators and announced a range of far-reaching changes.

In a forthcoming book, *Ecclestone of Monza*, Ecclestone said of the much-publicised Senna accident: "If he had been killed like

Roland Ratzenberger the day before, where it hadn't been seen on television, it wouldn't have created such a terrific impact. It was the fact for an hour people were saying: 'What's happened to him? Is he going to make it?' It was a public death. Like crucifying Jesus Christ on television."

Television can be a two-edged sword. Later that year a serious pit lane fire at Hockenheim again made sponsors nervous. Foca issues air-time figures for each team: after five races in 1995 Williams had amassed one hour, 47 minutes and 35 seconds, the now extinct Pacific team only two minutes 14 seconds. By such figures can teams justify the massive expense to their backers. If the sponsors are unhappy, everyone suffers.

More and more the game is being tailored to television, with controversial retelling, stop-and-go penalties and safety cars to show the field during accidents. There are even suggestions of an official handbook for aspiring race promoters, indicating that tight circuits with predominantly third and fourth-gear corners make trackside advertising more visible on the small screen.

## Tennis

John Roberts

For years the United States Open virtually has been run by CBS television, whose "Super Saturday" sandwiches the women's singles final between the two men's singles semi-finals.

The women have no idea at what time their supposed showcase will start, and the winner of the second men's semi-final simply hopes to have the energy to raise a game for the Sunday final. Jim Courier once described the arrangement as a "crock of shit", but conceded that "CBS pay the money and can call the tune".

Courier and Pete Sampras were the nightwatchmen in 1992 when the opening semi-final between Stefan Edberg and Michael Chang took a record five hours and 26 minutes.

Edberg and Mats Wilander were given a 10am start for their semi-final in 1987, even though Edberg was committed to playing doubles on the previous Friday night. The Swedes were told that the other semi-final,

featuring Ivan Lendl and Jimmy Connors, was a bigger attraction for prime time television.

In 1986, Miloslav Mecir won a late night five-set semi-final against Boris Becker and was easily picked off by Lendl in straight sets in the final.

The "CBS Open" is tennis's most glaring example of manipulation by television. After years of criticism, the format for the climax of the championships is under review.

Wimbledon, the world's most prestigious tournament, is also the most resolute. "We like to think we put the players first here in terms of scheduling matches," Ian Edwards, the All England Club's TV marketing director, said.

Emphasising that seeking the widest television audience is as important as the fees involved, the All England Club has been associated with BBC TV since 1937. The latest contract, agreed last year, runs until the end of 1999.

tract which the organisers had cornered.

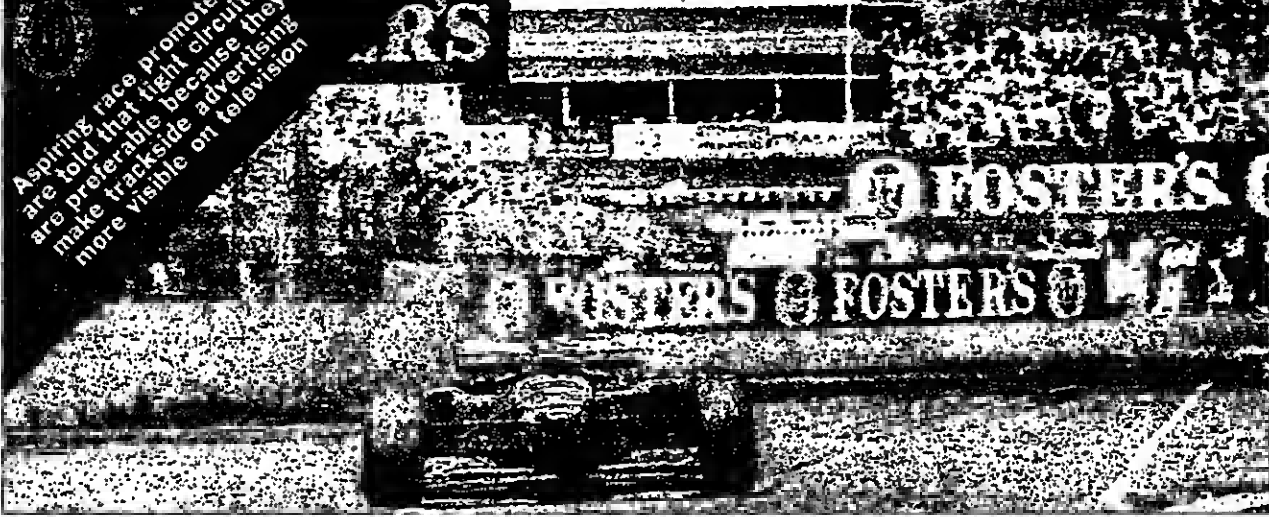
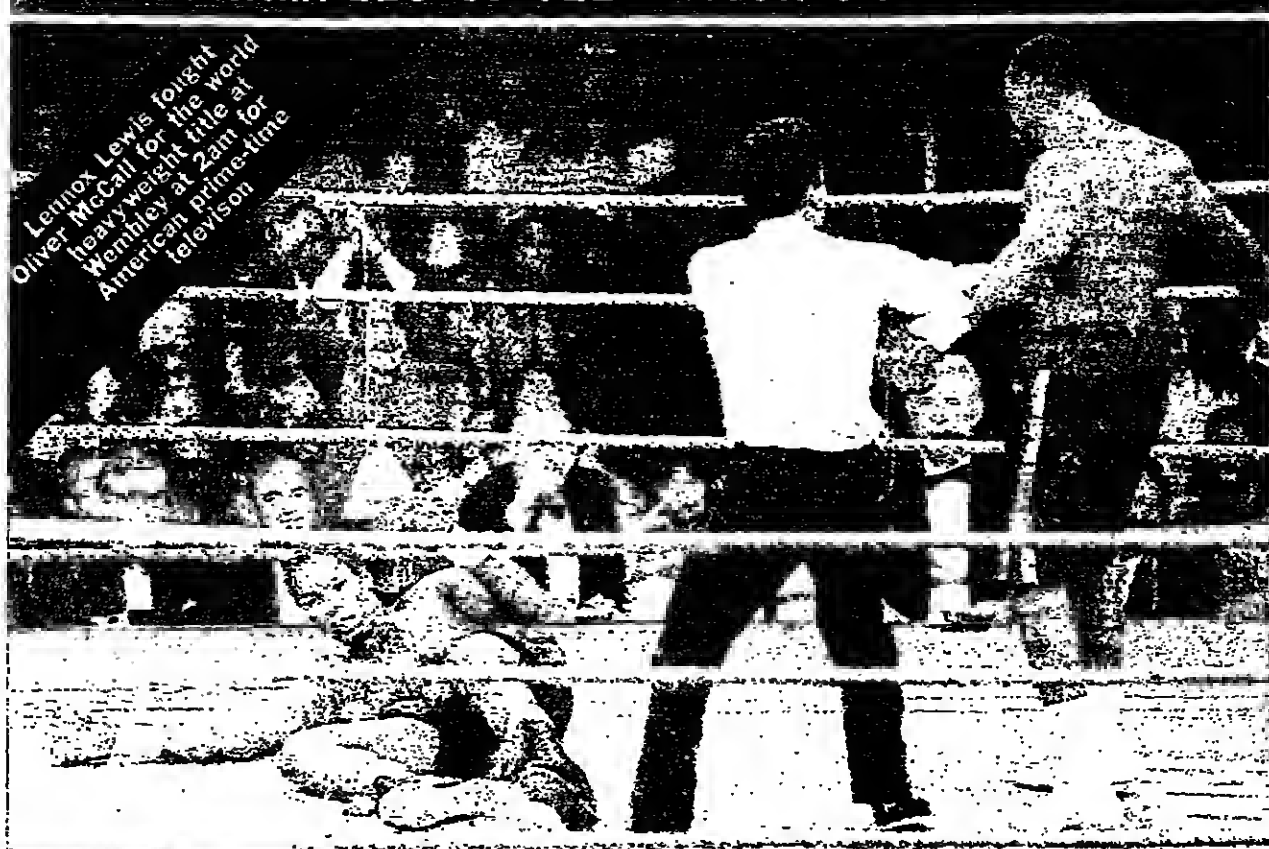
To summarise only the main agonies: it started 45 minutes late (blaming this on Kurt Brinning having a problem with his skates when it seemed to be an organisational failure); there was no published programme of events so when the "second half of the programme" was announced to begin at 10.25pm the audience gasped: there was no score-board, the scores farcical, by the way were announced in a rapid string: most people left "early" (we left at 11.15pm with almost half of the second half still to run) most importantly we didn't get to see Torvill and Dean for a second time; and by 11.15pm no results had been announced of the so-called "competition".

The departing 11.20pm docklands train was full of disgruntled and very unhappy audience members - including some VIPs who not only were having to miss the show but also were missing the after-show party "with the stars" because everything was running so late.

The thing that shocked us was that Torvill and Dean and Robin Cousins promoted the event on TV and radio, and are presumably getting paid for the exercise. This must have been without realising how their fans were going to be cheated out of seeing their full programme.

Still, I suppose the prize-money acts as a great consolation. It is a pity the poor old audience doesn't have anything similar to fall back on, although I, for one, am writing to IMG to ask for our money back.

## THREE EXAMPLES OF TELEVISION CALLING THE TUNE



## Golf

Tim Glover

Television coverage of tournaments is the key to the commercial success of the European Tour and Sky has all but blocked out the BBC. The Tour needed an injection of cash and left that Sky made an offer it could not refuse. In signing the deal it left itself open to a charge of flogging off the family silver.

For an undisclosed sum, Sky gets not only the broadcast rights but also the rights to the tournament's commercial events but the jewel in the crown, the biennial Ryder Cup match between Europe and the United States. When Europe regained the Cup at Oak

Hill, Rochester, last September the public at large were stunned to discover that Sky had exclusive rights.

The majority, however, did not abandon Aunty, they tuned in instead to Radio 5 Live. It is estimated that six million people listened to the radio commentary compared to less than a million television viewers. Peter Alliss and the BBC team are now left with a handful of tournaments although they still have the Open. Thus far Sky has made no impression on the Royal and Ancient, who run the Open.

## Snooker

Guy Hodgson

If any sport has had a symbiotic relationship with television, it has been snooker. Without it the game would still be the province of working men's socials, and Stephen Hendry would either be struggling to make a living or selling balls in a professional's shop at a golf club.

In 1972, the year of Alex Higgins' first world title, the World Championship was played at Selly Park British Legion, the prize-money was £300 and spectators in the overflow had to sit on beer crates. Hendry, the current champion, is a million-

aire several times over. The difference was colour television... In 1985 18.5m people watched Dennis Taylor beat Steve Davis on BBC2 in the World Championship final. This, it should be added, was after midnight. Snooker's matches are played at times with television in mind but no one seems to mind. In fact, the game's governing body would probably be more accommodating if it could guarantee more BBC live coverage of the World Championship, particularly during the evening.

Not every sponsor has welcomed the Tour's expediency in selling out to Rupert Murdoch. Benson and Hedges, for example, who have been sponsoring their international event for 25 years, chose to remain with the BBC on the grounds that their viewing figures would be considerably higher.

Nevertheless Sky is paying the piper. When Dunhill withdrew its sponsorship of the British Masters in the summer the Tour could not find a backer, despite the fact that the BBC were contracted to cover

the tournament. In the event Sky offered to underwrite the lion's share of the costs and, of course, took over the coverage. The BBC had virtually no choice but to waive the contract and take a back seat.

Sky was able to call the tune to the extent of bringing play forward to a ludicrously early hour for the final round so that the championship would be finished in time for the satellite company to switch to that afternoon's Premiership football match. The BBC were restricted to showing recorded highlights.

## Boxing

James Reed

Colin McMillan is typical of the type of boxer that television executives are scared of: he can move, he has fast hands, he barely gets hit but he rarely knocks people out. In short, McMillan is a TV nightmare. Earlier this year Frank Warren secured an incredible deal with Sky and left ITV with boxers including Naseem Hamed, Nigel Benn and Frank Bruno. Chris Eubank had left ITV six months earlier. Warren's deal is worth in excess of £100m over three years, and includes Mike Tyson's fights.

Warren, who first worked with ITV 10 years ago, admitted that he was sad to end the partnership but the money on offer from Sky was simply too much to refuse. Two fights promoted by Warren have since attracted Sky's highest-ever viewing figures.

There are problems with fights on all channels. There are delays between fights and when an American company is involved there is invariably an after-midnight start time - and that is an insult to the paying British fans.

## Rugby Union

Steve Bale

The very idea that rugby union could sell itself - as opposed to its product - to the highest bidder by inserting the power of veto of transfers into contracts or by any other means was yesterday treated with disdain by the game's administrators. Rugby league's apparent agreement to cede this right to Rupert Murdoch's News Corporation will not be copied by union, no matter how much he offers.

Turbulent times these may be, with the onset of professionalism, but there is one unbending principle to which rugby union intends to adhere, even in the face of Sky's anticipated offer of £175m for the next home unions television contract. Rugby union and not a TV mogul such as Murdoch (News Corp is Sky's largest shareholder) has to control itself, including its transfer system.

Tony Hallett, the secretary of the Rugby Football Union, said yesterday: "Were such a clause to exist, it would mean he would effectively own the game and I am certain the Rugby Union could not and would not enter into such a thing in any circumstances. No amount of money could buy that sort of influence on the game."

Hallett is in any case determined Sky will not be granted exclusive or unfettered rights when the next television contract comes up for negotiation next season. This is highly significant because, although the contract is in the gift of the committee of home unions, the percentage of the audience situated in England gives the

RFU greater leverage than Scotland, Wales or Ireland.

"Any TV contract is going to have to be a partnership between terrestrial and satellite," Hallett said. "However difficult it may be to resist all of satellite's offers, the two need to be dovetailed so that we keep faith with the majority of the public who have terrestrial only."

"It will need a judgement of Solomon but we have to get the best bid for the best of all possible worlds, bearing in mind there are many clubs who are desperate to find a way of funding the new professional game with no big bankroll available to do it."

The current contract, in the second of its three seasons, was won by the BBC for £27m with Sky having primary rights to English, Scottish and Irish club rugby for £2.4m per season. A clause in its agreement for the 1991 World Cup enabled ITV to secure the UK rights to this year's tournament in South Africa for £5.25m and to win rights for 1999.

Murdoch's principal rugby union involvement is a £36m, 10-year TV deal between News Corp and Sanza, the acronym for a company formed by the South African, New Zealand and Australian unions.

The deal has added an annual home-and-away international series starting next year involving the Springboks, All Blacks and Wallabies as well as an expanded Super 12 provincial competition to the established round of tours and domestic rugby. "I hope they have read the small print," Hallett said.

## Athletics

Duncan Mackay

As a sport with wide international appeal, athletics has a close relationship with television. Television coverage is a vital component of any successful meeting and some one-off races have been totally dependent on TV money.

Big names, huge egos, plenty of hype and a blockbuster of a television story all conspired together in 1985 when Zola Budd and Mary Decker staged a rematch at Crystal Palace of their ill-fated Olympic meeting. American TV bankrolled the event and, naturally, called the shots.

An extra day was added to the programme so the race could be shown live across the Atlantic at prime time, while runners like the Olympic 3,000 metres champion Marileta Fuica, who may have got in on the act and spoiled the story, were not invited to compete. The fact that Budd, paid £90,000 for her appearance,

finished only fourth did not seem to matter. "Who cares?" one TV executive said afterwards. "The ratings were good. That's the bottom line."

In 1993 the 100m world record holder, Leroy Burrell, complained after he could not get alone when Linford Christie staged his head-to-head with Carl Lewis at Gateshead. But as Lewis's manager, Joe Douglas, said at the time: "We don't want anyone else winning for the sake of television. The race everyone wants to see is between Christie and Lewis, not Burrell."

Television has long dictated the Olympic timetable. So it is no surprise that, bowing to the demands of TV executives, organisers have ignored the advice of their own medical commission and will start the men's marathon in Atlanta next year when the afternoon sun will be at its hottest, humidity highest and conditions most dangerous.

## Cricket

Derek Hodgson

The BBC spokesperson was mischievous: "Crusty old members of MCC will have a sorry when they hear this," she said, referring to an idea being developed in New South Wales, Australia, of an eight-a-side cricket competition of hour-long matches designed specifically for television. The players would wear coloured uniforms and each would both bowl and bat.

A league would be played during the English summer and Australia's Test men would be expected to compete, ruling them out of county cricket.

This announcement is the latest television-driven tinkering with the game.

What should be noted is that cricket, especially MCC, has been in the business of selling the game, in the face of competition from cock-fighting, bare-knuckle boxing, gambling, professional sprinting, horseracing, golf and dog-fighting for around 250 years. On one occasion at Southwick, in 1744, cricket had to compete against "a run by two jolly wenches, one known as the Little Bit of Blue and the other Black Bee, to run in drawers only and excellent sport is expected".

Richard Little, the Test and County Cricket Board's media manager, insisted: "We are starting from a completely different base from Rugby League. Their deal with TV is built around broadcasting whereas in cricket the broadcasting is built around the game."

"There is such a huge fight developing between the various TV channels that every sport is being examined for broadcast opportunities and where the basic sport either does not fit the schedule or cannot be manipulated to do so then secondary sports, or variations, will be approached or even set up."

Cricket will continue to come under pressure. Anyone watching Sky's Test match transmissions from abroad can sense that Sky would love to have a longer interval, for showing ads, between overs, and much shorter intervals between play at lunch and tea.

Cricket is making one concession next summer: the Benson and Hedges Cup will be played over 50 overs, instead of 55, and there will be just one interval, usually between innings, of 45 minutes.

What if TV also happens to be a sensible improvement by cricket, for it is clear that matches less than 60 overs hardly warrant two intervals.

As an immensely licensed Fifa agent, I believe the authorities should seriously consider the inclusion of the opinions of, at least, certain members of our ranks - after all an agent can greatly influence the outcome of his client's career decisions. Also I am currently securing a bond of £111,000 just for the privilege of representing other individuals during negotiations, then I believe licensed agents should be accorded their voice when it comes to serious discussion of the implications of future changes in the transfer system.

Yours, JAKE DUNCAN, Showtime International Ltd 17 December

## T and D star in shambles on ice

From J Gatchons

Sir: With reference to your glowing Monday interview with Torvill and Dean, my daughter and I were part of the "disappointingly small audience" at the "gloomy docklands arena" last Thursday, and to say that they swept to victory puts a very different gloss on an event that was a total shambles. It was a cheat.

The event was set up for US television and recording took precedence over all. Apparently the British will only get to see it on Sky - most of those attending on Thursday (paying up to £40 for their seats) did not get to see the whole event because everything centred on getting something in the can to justify the £2.5m (£1.6m) con-

tract which the organisers had cornered.

To summarise only the main agonies: it started 45 minutes late (blaming this on Kurt Brinning having a problem with his skates when it seemed to be an organisational failure); there was no published programme of events so when the "second half of the programme" was announced to begin at 10.25pm the audience gasped: there was no score-board, the scores farcical, by the way were announced in a rapid string: most people left "early" (we left at 11.15pm with almost half of the second half still to run) most importantly we didn't get to see Torvill and Dean for a second time; and by 11.15pm no results had been announced of the so-called "competition".

The departing 11.20pm docklands train was full of disgruntled and very unhappy audience members - including some VIPs who not only were having to miss the show but also were missing the after-show party "with the stars" because everything was running so late.

The thing that shocked us was that Torvill and Dean and Robin Cousins promoted the event on TV and radio, and are presumably getting paid for the exercise. This must have been without realising how their fans were going to be cheated out of seeing their full programme.

Still, I suppose the prize-money acts as a great consolation. It is a pity the poor old audience doesn't have anything similar to fall back on, although I, for one, am writing to IMG to ask for our money back.

Yours sincerely, JEAN GATEHOUSE, Northwood, Middx 19 December

## Voicing disappointment

From Mr M Thompson

Sir: Both Alan Watkins and Jack Rowell seem to misunderstand the nature of the crowd at Twickenham for the game against Western Samoa, together with its motives for dissatisfaction and its aspirations for the England team.

I was part of a group of people who have played the game regularly and attend games week in, week out. One of our number is an ex-Saracens stand-off. All strive to keep abreast of laws and tactics and love the game.

We do not particularly want England to play "champagne" rugby but we can aspire to the All Blacks' more pragmatic but still exciting play. The booing and slow hand-clapping

did not derive from a contempt for Western Samoa but from disappointment that if England could not summon the courage to attempt such rugby in a competitive match that they were not going to lose, how would they ever have the confidence to do it against the world's best?

Jack Rowell and the players should remember professionalism has changed the rules. It is neither easy nor cheap to obtain international tickets and make trips to support England from all parts of the country. Disappointment with unsatisfactory skills and an unwillingness to try things will be increasingly vocal.

Yours faithfully, MARK THOMPSON, Sheffield 20 December

## Off target

From B Mellowship

Sir: I have just read your interesting article today on "Football's fastest goals" and would like to point out a couple of small errors: Bryan Robson did not score the fastest goal in the World Cup finals, nor indeed the fastest goal at Wembley.

Robson's 27-second goal v France in 1982 was deemed to be the quickest at the time but that distinction was taken away from him by Fifa, the international football federation, on 3 March 1994 when, after using electronic timing, they decided Vaclav Masek's goal for Czechoslovakia against Mexico in the 1962 finals came after 15 seconds.

The fastest goal at Wembley is credited to Maurice Cox, of Cambridge University, who scored in the Varsity match on 5

December 1979, after 20 seconds. Yours sincerely, B MELLOWSHIP, London SE12 8 December

## A word from your agent

From Mr J Duncan

Sir: So the European Court of Justice upheld the earlier ruling in the Bosman case, effectively outlawing football's out-of-contract transfer system. However, there's a need to steady the media ship, lest the "end of the transfer system" as we know it "crew sails us into panicked waters, particularly as the new ruling is, in its definition, agreed, there is undoubtedly urgent need for revision of rules relating to the domestic transfer system here, because a similar domestic ruling will inevitably follow Friday's cross-







## SPORT

## THE POWER BEHIND THE SCREENS

What influence does television have over the way sport is run?

Page 22

## Ireland ready for end of Charlton era

Football  
DAVID HUGHES

To say that Jack Charlton's days as Republic of Ireland manager are numbered would be an understatement: it now seems merely a question of how many. Perhaps as little as one, if senior figures within the Football Association of Ireland have their way. It is not so much that they will push him before he jumps, more that they are inclined to give him a helpful little nudge.

Charlton is expected to fly into Dublin today for a meeting with leading FAI executives amid mounting speculation that the most enduring managerial reign in European international football is about to end. In the fall-out from the European

Championship play-off defeat to the Netherlands at Anfield a week ago, he said he would consider his position over Christmas, intimating that at the very least he would like to celebrate a decade in charge on 7 February before taking his leave.

But, if a decade suddenly seems a short time in football, then the last seven days also demonstrate that a week is a long time in politics - and there has been plenty of that in the corridors of the FAI's Merrion Square headquarters.

Phone-in polls have seen Charlton's popularity remain undimmed, but there is increasing dissatisfaction with Saint Jack within the footballing community as a whole. The deepening conservatism which has prompted some erratic selections

in the defeats by Portugal and the Netherlands (six defenders started both games, seven finished the latter) and increasing evidence that Charlton's personality and methods no longer influence an ever-changing squad has prompted most leading FAI power brokers to seek his departure. Furthermore, many are frustrated that a decade of unprecedented growth at senior international level has coincided with 10 years of stagnation at under-age level.

The need for a quick decision is compounded by the meeting of national managers in Liechtenstein on 23 January to agree fixtures for the World Cup qualifying campaign and a February friendly. Hence, by last Friday, senior figures within the FAI were disclosing that Charlton had indicated he would resign before rather than after Christmas, and a statement was procured from "an FAI spokesperson" which said if Charlton did not voluntarily resign then the FAI would have to consider their position.

By Monday, the FAI's chief executive, Sean Connolly, confirmed that Charlton had requested a meeting with FAI executives in Dublin this week and "he only seeks meetings like this when there is something to discuss". By Tuesday he had reportedly cancelled his Christmas get-together over a few drinks with top FAI figures.

By yesterday, an emotional and irate Charlton was confirming he was coming to Dublin to meet leading FAI executives. "All I wanted was time to make up my mind and now it looks as if I'm not going to be given that time," he said.

Meantime, in the succession stakes, Mick McCarthy has overtaken Joe Kinnear and Kenny Dalglish in the betting.

## O'Neill set for Leicester

Leicester City and Luton Town are expected to name their new managers today, with Martin O'Neill moving in at Filbert Street and either Mike Walker or Lennie Lawrence taking over at Kenilworth Road.

Norwich City have given Leicester permission to talk to the 43-year-old O'Neill, following his resignation after only six months in charge of the Canaries. The Leicester chairman, Martin George, is negotiating a compensation deal of £500,000 with Norwich, and O'Neill will be appointed in time for Saturday's trip to Grimsby.

Walker and Lawrence have been interviewed by the Luton board for the post vacated by Terry Westley. Walker, who has also been linked with Leicester, has been out of management for 13 months since being sacked by Everton. Lawrence was sacked

by Bradford City last month. At another First Division club, West Bromwich Albion, the chairman Tony Hale is prepared to stand down if a new backer comes forward. "If there is somebody with a lot of money who wants to put it into West Bromwich Albion and their heart is in the club, then I will talk to them," he said.

Matthew Wicks, 17, is at the centre of a tug-of-war between three London clubs after deciding that he wants to leave Manchester United. Their manager, Alex Ferguson, is having talks with Tottenham about the defender, who is the subject of a Football Association inquiry into "poaching" allegations made by Arsenal. The Gunners would like him back and Chelsea are also said to be interested in the son of their former defender, Steve Wicks.



Speed queen: Alexandra Meissnitzer heads for victory in a super-giant slalom in Switzerland yesterday

Photograph: AP

## Meissnitzer confirms Austrian revival

## Skiing

Alexandra Meissnitzer, the new darling of the Austrian team, continued her superb form this season by winning a women's alpine World Cup super-giant slalom in Veysonnaz, Switzerland, yesterday.

Austria was deprived of a one-two by Switzerland's Heidi Zurbriegen, who nipped

into second place ahead of Michaela Dorfmeister. Meissnitzer, the overall World Cup leader who has five times finished in the top three in as many races, clocked 1min 28.72sec, Zurbriegen 1:28.90 and Dorfmeister 1:29.17.

The race was held up for 30 minutes after Florence Masnada fell heavily after crossing the finish line. The 27-year-old Frenchwoman was flown to

hospital and was later ruled out for the rest of the season after doctors operated on a dislocated right hip.

Masnada has been particularly unfortunate. The winner of one race, a super-G in Garmisch-Partenkirchen last season, she has missed three full seasons through injury.

Meissnitzer knows no such problems and has been catapulted into prominent position in an Austrian team that is regaining the strength associated with one of the sport's traditional powers as the season progresses.

Her first victory came in the super-G in Val d'Isère two weeks ago. She then placed third in a giant slalom in the same French resort, and she was third and second in two downhill races last weekend's Austrian dominated races at St Anton.

Meissnitzer knows no such problems and has been catapulted into prominent position in an Austrian team that is regaining the strength associated with one of the sport's traditional powers as the season progresses.

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## Sampras and Graf top

## Tennis

Pete Sampras and Steffi Graf have been named world champions for 1995 by the International Tennis Federation.

Sampras won the award for the third straight year, while Graf was named for the sixth time in the past nine years.

Sampras won Wimbledon and the US Open, each for the third time, and was the runner-up in the Australian Open. He won three other tournaments and led the United States to victory in the Davis Cup final against Russia earlier this month.

Graf, despite her father, Peter, being in prison on matters relating to tax evasion, won all three Grand Slam tournaments

she entered: the French Open, Wimbledon and the US Open. The German also won the season-ending WTA Tour Championships and suffered only two defeats during the year. However, she will miss the Australian Open next month because of a chipped bone in her left foot.

The ITF president, Brian Tobin, said: "Both Pete Sampras and Steffi Graf have played exceptional tennis this year and fully deserve to be recognised again as the best of the best."

The wheelchair world champions for 1995 were David Hall of Australia and Monique Kalkman of the Netherlands. The awards will be presented at the annual ITF World Championships' Dinner in Paris during the French Open next May.

## Carter's Korean task

## Olympic Games

The International Olympic Committee yesterday welcomed efforts by the former president Jimmy Carter to persuade North Korea to compete at next summer's Atlanta Games.

Of the 197 nations invited by the IOC to send teams to Atlanta, North Korea is the only one that has not accepted.

Carter, who sent a letter personally inviting the North Koreans to come, said Tuesday he had been informed by North Korea's leaders that they "are reconsidering participating".

The IOC director general, François Carrard, said in Lausanne that he had received no new information concerning

North Korea but hoped Carter's initiative would succeed.

"Anything which can contribute to bring all nations to the Games has to be encouraged," he said. "If anybody can deliver, we would only be pleased."

While the deadline for replies was 15 November, Carrard said the IOC would not reject a late entry from the North Koreans. "We are trying not to penalise the athletes," he said. "We would do the utmost with the organising committee to allow any solution to accept athletes."

North Korea boycotted the 1984 and 1988 Olympics but competed at the 1992 Barcelona Games. The North Koreans have not competed in any major international sports competitions over the past year.

## Concern over 'loyalty' clause

Rugby League  
DAVE HADFIELD

Rugby League was in a state of confusion yesterday as leading figures in the sport tried to analyse the "loyalty" contracts some players have signed with the new Super League.

A document passed to the Independent reveals that any transfer involving one of an elite group of players who have signed the contracts can be blocked by Rupert Murdoch's News Corporation, which has put £25m into the new Super League, which starts in March.

No club has as many players on contracts as Wigan, whose chairman, Jack Robinson, hoped that the clause would be unenforceable. "If a buying club and a selling club were in agreement and a player wanted to go, surely the freedom of contract regulations would stop anyone interfering," he said.

One concern for Robinson, though, is that in theory at least control of the transfer market could be used to prevent his club's continuing pre-eminence in the sport. "That would worry me," he said. "It would be totally unfair because of the amount of players we have lost."

David McKnight, managing director of Premier Rugby Sports Management, represents many leading players such as Vili Vili, Tugima, Henry Paul, Terry O'Connor, Kris Radlinski, Simon Haughton and Craig Murdoch as Wigan, and Chris Lym and Bobbie Goulding at St Helens, who have signed.

He was critical of the speed with which the deals were done at the height of the battle between Murdoch's Super League and the Kerry-Packer-backed Australian Rugby League. "I know of cases of players who were taken into a room and told that the offer wasn't going to be there if they didn't sign there and then - and that is disgraceful," he said.

For most, he added, it had been a commercial decision to sacrifice flexibility in the future for an immediate financial benefit. He said the contracts were designed to combat the ARL. "The main driving force behind it was that, after receiving large sums of money, they could be stopped from going outside the Super League," he said. "But News do have to be advised that a player wants to move within Super League. I can't see for practical reasons that it would be useful to News to stop a move from one Super League club to another."

David Howes, the chief executive of St Helens, called for clarification. "We will have to now ask for guidance from the League on the interpretation of the clause," he said. "Five or six of our players got a loyalty bonus and were under a lot of pressure on the day. The club was not directly involved with the contracts."

Maurice Lindsay, the chief executive of the rugby league, denied the body was surrendering its position of authority. "It is absolute nonsense to suggest that we have given up control of our sport or any part of it," he said. "The claims that the loyalty agreements signed between players and News Corporation require the players to play wherever News Corporation say is unfair and irresponsible."

"Voluntary loyalty agreements have been signed by players. Those loyalty agreements will benefit the player, the clubs of the Rugby Football League and the fans. The simple truth was that, within hours of the RFL signing News Corporation's contract, we came under attack from the Australian Rugby League, who tried to sign overnight almost the entire Great Britain and Wales playing squads."

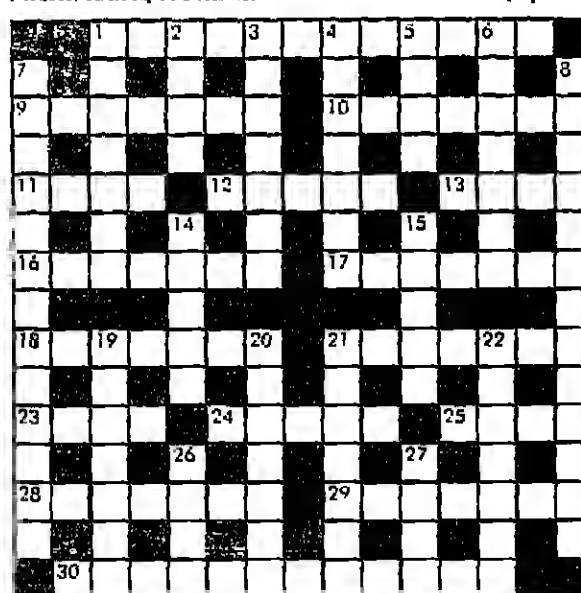
The sole intention was to prevent those players from signing for Manly or any ARL club.

## THE INDEPENDENT CROSSWORD

No. 2563, Thursday 21 December

By Spurlin

Wednesday's Solution



OFFENSIVE CHORE  
U R I E M C H O R E  
C H I P P E R P A I N T E R  
H C E E R E C T O S  
P H I O R P E R E C T O S  
A A I A N  
P O L I G E C O N S T A B L E  
A A A C E  
R E I N F O R C E O U L I C  
U N I E  
B U F F E R S M I N E R A I  
A I I O E D O B E  
S I R E N U N A N I M O U S  
M W E E N D M S

Win the complete Oxford English Dictionary on CD-Rom or the complete works of Charles Dickens in this Saturday's Christmas Jumbo Crossword.

## ACROSS

- 1 Mark off after a job? He may become a doctor (12)
- 9 Athlete set free when a ransom's forthcoming? (7)
- 10 Propose hosting German guests, maybe (7)
- 11 Refusal in France to accommodate European element (4)
- 12 Consider moving piece back - no good (5)
- 13 Motoring organisations about to make a mark (4)
- 16 London borough housing old aristocrat (7)
- 17 Art deserving payment in advance? (7)
- 18 Irreligious person is first to be linked with articles (7)
- 21 Condition in jail almost overcoming old viscous (7)
- 23 Vegetable King's taken with a drink (4)
- 24 Within a month, bishop will

## DOWN

- 25 Miss being captain? (4)
- 28 Edging around at a rate of knots? (7)
- 29 Nothing in east Belgian province to charm? (7)
- 30 Craft room with weaving implement (5, 7)
- 1 Girl briefly taken into Queen Catherine's reception room (7)
- 2 Oil reservoir overcoming power problem (4)
- 3 Ardent support for erection of friendly drinking-place round here! (7)
- 4 Playwright originally missed taking part in service, not being there (7)
- 5 Persuade group leader to plunge into river (4)
- 6 Intolerable sentimentality in performance of Lear, etc (7)

- 7 Curved bits of ironmongery possibly coming into the equation? (5, 8)
- 8 Members of assault force are raving, so report sick (5-8)
- 14 Forger's equipment going under the hammer (5)
- 15 Lapse leads to rollicking in hesitation over run (5)
- 19 High point for one rookie lieutenant, gaudy-tasting dance (7)
- 20 Chemical producing nasty effect in many a stream? (4-3)
- 21 Nouveau riche not originally allowed into sophisticated rave-up (7)
- 22 More ski development? Boring (7)
- 26 One's implicated in football club's finances (4)
- 27 Isn't able to perceive hypocrisy (4)

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## A DELIVERY MAN



## The MALT

